



MEETING AGENDA

TIME/DATE: 9:30 a.m. / Wednesday, January 11, 2023
LOCATION: BOARD ROOM
County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside

COMMISSIONERS

Chair – Bob Magee
Vice Chair – Lloyd White
Second Vice Chair – Karen Spiegel

Kevin Jeffries, County of Riverside, District 1
Karen Spiegel, County of Riverside, District 2
Chuck Washington, County of Riverside, District 3
V. Manuel Perez, County of Riverside, District 4
Yxstian Gutierrez, County of Riverside, District 5
To Be Appointed / Alberto Sanchez, City of Banning
Lloyd White / Julio Martinez, City of Beaumont
Joseph DeConinck / Johnny Rodriguez, City of Blythe
Linda Molina / Wendy Hewitt, City of Calimesa
Jeremy Smith / Jennifer Dain, City of Canyon Lake
Raymond Gregory / Mark Carnevale, City of Cathedral City
Steven Hernandez / Denise Delgado, City of Coachella
Wes Speake / Jim Steiner, City of Corona
Scott Matas / Russell Betts, City of Desert Hot Springs
Clint Lorimore / Todd Rigby, City of Eastvale
Linda Krupa / Malcolm Lilienthal, City of Hemet
Dana Reed / Ty Peabody, City of Indian Wells

Waymond Fermon / Oscar Ortiz, City of Indio
Brian Berkson / Armando Carmona, City of Jurupa Valley
Kathleen Fitzpatrick / Robert Radi, City of La Quinta
Bob Magee / Natasha Johnson, City of Lake Elsinore
Bill Zimmerman / Dean Deines, City of Menifee
To Be Appointed / Edward Delgado, City of Moreno Valley
Lisa DeForest / Cindy Warren, City of Murrieta
Ted Hoffman / Katherine Aleman, City of Norco
Jan Harnik / Kathleen Kelly, City of Palm Desert
Lisa Middleton / Dennis Woods, City of Palm Springs
Michael M. Vargas / Rita Rogers, City of Perris
Ted Weill / Charles Townsend, City of Rancho Mirage
Chuck Conder / Patricia Lock Dawson, City of Riverside
To Be Appointed / Alonso Ledezma, City of San Jacinto
To Be Appointed / Zak Schwank, City of Temecula
Joseph Morabito / Ashlee DePhillippo, City of Wildomar
To Be Appointed, Governor's Appointee Caltrans District 8

Comments are welcomed by the Commission. If you wish to provide comments to the Commission, please complete and submit a Speaker Card to the Clerk of the Board.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

www.rctc.org

MEETING AGENDA*

***Actions may be taken on any item listed on the agenda**

9:30 a.m.

Wednesday, January 11, 2023

Board Room

**County of Riverside Administrative Center
4080 Lemon Street, First Floor, Riverside, CA**

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, Executive Order N-29-20, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Commission may, either at the direction of the Chair or by majority vote of the Commission, waive this three-minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Also, the Commission may terminate public comments if such comments become repetitious. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Commission shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Commission should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. Commission members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. ADDITIONS / REVISIONS – *The Commission may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Commission subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Commission. If there are less than 2/3 of the Commission members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*

6. PUBLIC HEARING - RIVERSIDE COUNTY TRANSPORTATION COMMISSION 91 EXPRESS LANES TOLL POLICY AND TOLL SCHEDULE

Page 1

Overview

This item is for the Commission to:

- 1) Conduct a public hearing to receive input on the proposed RCTC 91 Express Lanes Toll Policy and Toll Schedule; and
- 2) Adopt Resolution 22-022, *"Resolution of the Riverside County Transportation Commission Adopting the RCTC 91 Express Lane Toll Policy and Toll Schedule"*, to take effect as of the date the 15/91 Connector opens to the traveling public, with the discount portion of the policy to take effect as of January 1, 2023.

7. CONSENT CALENDAR – All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.

7A. AB 361 DETERMINATION

Page 18

Overview

This item is for the Commission to:

- 1) Reaffirm the findings in Resolution No. 22-007, *"A Resolution of the Board of Commissioners of the Riverside County Transportation Commission Authorizing Virtual Board and Committee Meetings Pursuant to AB 361."* The findings are as follows:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

7B. APPROVAL OF MINUTES – DECEMBER 14, 2022

Page 23

7C. AMENDMENTS FOR ON-CALL PUBLIC OUTREACH AND MARKETING SERVICES

Page 33

Overview

This item is for the Commission to:

- 1) Approve the amendments to the on-call public outreach marketing services contract, exercise a two-year option, and approve \$500,000 additional cost authorization for a not to exceed \$1,500,000 contract authority to the following agreements:

- a) Agreement No. 17-15-105-04, Amendment No. 3 to Arellano Associates;
 - b) Agreement No. 17-15-110-02, Amendment No. 2 to Celtis Ventures, Inc.;
 - c) Agreement No. 17-15-111-03, Amendment No. 3 to CityWorks People + Places, Inc.;
 - d) Agreement No. 17-15-113-02, Amendment No. 2 to MBI Media; and
 - e) Agreement No. 17-15-114-02, Amendment No. 2 to Moore Iacofano Goltsman, Inc. (MIG)
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements amendment on behalf of the Commission; and
 - 3) Authorize the Executive Director, or designee, to execute task orders awarded to the consultants under the terms of the agreements.

7D. STATE AND FEDERAL LEGISLATIVE UPDATE

Page 52

Overview

This item is for the Commission to:

- 1) Receive and file an update on state and federal legislation.

7E. AMENDMENT FOR CONSTRUCTION MANAGEMENT SERVICES, MATERIALS TESTING, AND CONSTRUCTION SURVEYING FOR THE INTERSTATE 215/PLACENTIA AVENUE INTERCHANGE PROJECT

Page 55

Overview

This item is for the Commission to:

- 1) Approve Amendment No. 3 to Agreement No. 18-31-148-00 with Vali Cooper & Associates, Inc. for Interstate 215/Placentia Avenue Interchange construction management services, materials testing, and construction surveying in the amount of \$395,142, for a total not to exceed of \$6,441,043; and
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the amendment, on behalf of the Commission.

7F. AMENDMENT TO CITY OF RIVERSIDE'S FISCAL YEAR 2022/23 SHORT RANGE TRANSIT PLAN

Page 63

Overview

This item is for the Commission to:

- 1) Approve the city of Riverside's (City) request for an allocation of \$541,995 in Local Transportation Funds (LTF) to cover a shortfall of operating expenses from Fiscal Years 2019/20 and 2020/21 that were submitted for federal stimulus reimbursement but were deemed ineligible; and
- 2) Approve the City's amended FY 2022/23 Short Range Transit Plan (S RTP) to reflect the LTF increase in the amount of \$541,995 for prior year operating expenses.

7G. AGREEMENTS FOR FREEWAY SERVICE PATROL TOW TRUCK SERVICE

Page 69

Overview

This item is for the Commission to:

- 1) Award Agreement No. 23-45-014-00 to Royal Coaches Auto Body and Towing (Royal Coaches) for Freeway Service Patrol (FSP) tow truck services on Interstate 215, Beat No. 20, for a five-year term, in the amount of \$2,305,460, plus a contingency amount of \$115,280 for a total amount not to exceed \$2,420,740;
- 2) Approve Agreement No. 20-45-030-01, Amendment No. 1 to Agreement No. 20-45-030-00 with Royal Coaches Auto Body and Towing for continued FSP services on Beat 25, additional regular FSP and construction FSP covering Beats 1 & 2 in Corona for an additional \$386,900, and a total amount not to exceed \$2,012,373
- 3) Approve Agreement No. 18-45-132-04, Amendment No. 4 to Agreement No. 18-45-132-00 with Coastal Pride Towing (Coastal) for continued FSP services on Beats 20, 34, and 35, and additional construction FSP service for the I-10 Tune Up project, for an additional \$285,500, and a total amount not to exceed \$3,061,104;
- 4) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission; and
- 5) Authorize the Executive Director, or designee, to approve the use of the contingency amount as may be required for these services.

8. QUARTERLY SALES TAX ANALYSIS

Page 127

Overview

This item is for the Commission to:

- 1) Receive and file the sales tax analysis for the Quarter 2, 2022 (2Q 2022).

9. FISCAL YEAR 2022/23 MID-YEAR REVISED REVENUE PROJECTIONS

Page 136

Overview

This item is for the Commission to:

- 1) Approve the mid-year Fiscal Year (FY) 2022/23 revenue projections of \$275 million for Measure A sales tax revenues, and \$150 million for Local Transportation Fund (LTF) revenue;
- 2) Approve the budget increase adjustments to Measure A revenues of \$20 million and expenditures of \$7,707,000 to reflect the revised Measure A projection; and
- 3) Approve the budget increase adjustments to LTF revenues of \$20 million, transfers in of \$1,759,000 and expenditures and transfers out of \$2,199,000 to reflect the revised LTF projection.

10. FISCAL YEAR 2023/24 REVENUE PROJECTIONS

Page 143

Overview

- 1) Approve the projection for Measure A revenues of \$280 million for Fiscal Year 2023/24;
- 2) Approve the projection for Local Transportation Fund (LTF) apportionment of \$155 million for the Western Riverside County, Coachella Valley, and Palo Verde Valley areas for FY 2023/24; and
- 3) Approve the projection for Transportation Uniform Mitigation Fee (TUMF) revenues of \$30 million for FY 2023/24.

11. METROLINK CORPORATE PARTNER PROGRAM AGREEMENT TO FULFILL THE LOW CARBON TRANSIT OPERATION PROGRAM FREE RAIL PASS PROGRAM

Page 149

Overview

This item is for the Commission to:

- 1) Approve Agreement No. 23-41-029-00 with Southern California Regional Rail Authority (Metrolink) Corporate Partner Program; and
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, on behalf of the Commission.

12. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

13. EXECUTIVE DIRECTOR REPORT

14. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

15. ADJOURNMENT

The next Commission meeting is scheduled to be held at 9:30 a.m. on **Thursday and Friday, February 2-3, 2023.**

AGENDA ITEM 6

PUBLIC HEARING

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Toll Policy and Operations Committee Jennifer Crosson, Toll Operations Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Riverside County Transportation Commission 91 Express Lanes Toll Policy and Toll Schedule

TOLL POLICY AND OPERATIONS COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Conduct a public hearing to receive input on the proposed RCTC 91 Express Lanes Toll Policy and Toll Schedule; and
- 2) Adopt Resolution 22-022, *“Resolution of the Riverside County Transportation Commission Adopting the RCTC 91 Express Lane Toll Policy and Toll Schedule”*, to take effect as of the date the 15/91 Connector opens to the traveling public, with the discount portion of the policy to take effect as of January 1, 2023.

BACKGROUND INFORMATION:

The authorizing legislation for the 91 Express Lanes, Public Utilities Code section 130244, requires that the Commission make available for public review and comment its proposed toll schedule. To comply with Public Utilities Code section 130244(c)(7), public notice of the proposed 91 Express Lane Toll Policy and Toll Schedule will be published on the Commission’s web site for public review and comment at least 30 days in advance of the public hearing. Staff is seeking approval of the resolution that adopts the proposed 91 Express Lane Toll Policy and Toll Schedule and an action to forward the item to the Commission to conduct a public hearing and consider approval of the resolution.

In 2012, the Commission adopted a resolution whereby the 91 Express Lanes is tolled using time-of-day variable pricing to manage traffic modeled after the Orange County Transportation Agency’s (OCTA) toll policy. After opening in 2017, it became apparent that the unique configuration of the Commission operated 91 Express Lanes required a change to manage congestion in the single lane entrance and exits. In 2018, the Commission amended the 2012 resolution to address the single-lane congestion. Using the 2019 adopted policy, tolls are adjusted quarterly based on 12-week historical traffic volumes according to the toll policy adopted in October of 2018. Time-of-day variable pricing increases the toll when traffic volumes

increase and decreases the toll when traffic volumes decrease to manage demand in the Express Lanes.

The 91 Express Lanes has four possible trip combinations, each with its own capacity constraint. Figure 1 shows the four possible trip combinations:

1. Eastbound 91 County Line to McKinley Street
2. Eastbound 91 County Line to 15 South
3. Westbound McKinley Street to 91 County Line
4. Northbound 15 to westbound 91 County Line

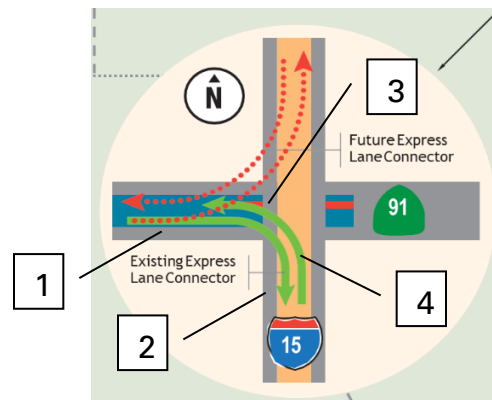


Figure 1: Current Trip Combinations

The current toll policy requires staff to collect data on hourly volumes for every hour of every day for each of the single-lane movements listed above (672 unique toll rates). According to the current Commission-adopted policy, each quarter staff analyzes the toll volumes for the single lane movements for the prior 12 weeks. Tolls are adjusted upward or downward according to the Level of Service that existed in every hour of every day in for each single-lane movement according to the toll rate table provided below in the Commission-adopted policy (Table 1).

Level of Service	Vehicles per Hour	McKinley	15 South
		Toll	Toll
A	0 - 400	\$1.65	\$2.10
B	401 - 800	\$2.40	\$3.15
C	801 - 1,000	\$4.45	\$5.65
D	1,001 - 1,200	\$5.65	\$7.30
E (EB McKinley)	1,201 – 1,300	\$7.35	n/a
E (EB 15 South)	1,201 - 1,400	n/a	\$9.40
E (WB McKinley)	1,201 - 1,350	\$7.35	n/a
E (WB 15 South)	1,201 – 1,400	n/a	\$9.40

Table 1: Toll Rate Table

Once a single-lane movement in a particular hour of a particular day reaches Level of Service E volumes in a quarterly review period, the toll is set at the rate provided for in the table above. If vehicles per hour exceed Level of Service E in subsequent quarterly review periods, the toll for that hour of that day is increased by the current incremental amount of \$1.45.

The full time-of-day toll schedule is posted to 91expresslanes.com. In recent months, the toll rate schedule has been viewed on average 80 times a day. The 91 Express Lanes processes on average 103,000 transactions each day. This means that .08 percent of daily customers are viewing the toll schedule posted at 91expresslanes.com. The current toll rate is also posted on the on-road price signs prior to the ingress points of each toll segment. Due to the low number of customers who view the toll schedule on 91expresslanes.com, staff concludes that customers are relying on the on-road price sign and possibly other information such as travel apps and real-time observations of traffic conditions to make their decisions as to whether to use the 91 Express Lanes rather than the toll schedule posted at the 91expresslanes.com.

The 91 Express Lanes offers discounted tolls to carpoolers travelling with three or more occupants, 91 Express Lanes account holders who register their pure zero emission vehicle, disabled plates, and disabled veteran plates. The discount is 100 percent except for Monday through Friday from 4:00 to 6:00 PM in the eastbound direction at which time the discount is 50 percent. Assembly Bill 2949 requires toll facilities, except for High Occupancy toll (HOT) Lanes, to provide free travel to veterans who have a disabled plate or various other military service-related plates provided for in the bill beginning January 1, 2023.

DISCUSSION:

The Commission is constructing a new connection from the eastbound 91 Express Lanes to the northbound 15 Express Lanes and from the southbound 15 Express Lanes to the westbound 91 Express Lanes (15/91 Express Connector). The 15/91 Express Connector is expected to open in late 2023. With the addition of the express connector two additional single-lane movements will need to be managed by the Commission (for a new total of 1,008 unique toll rates). This will increase the number of single lane movements from four to six as shown in Figure 2.

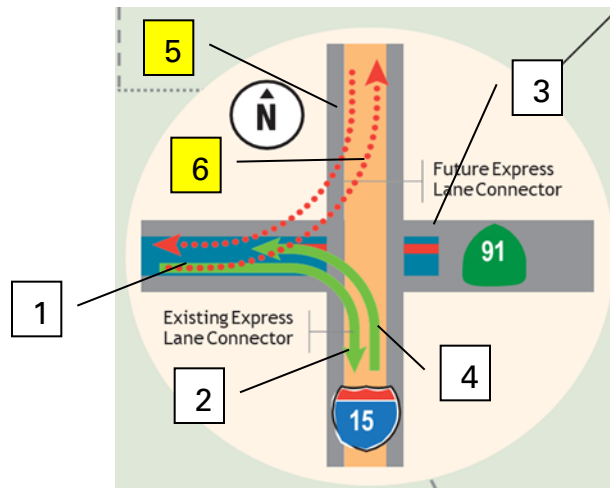


Figure: Trip Combination with 15/91 Express Connector

Staff has analyzed the current use of time-of-day congestion pricing that includes the 15/91 Express Connector and determined that there are significant implementation and traffic management challenges. Many of these challenges exist today with the existing time-of-day variable pricing and are compounded by the addition of additional single-lane movements. The challenges include: inability to manage congestion in the two-lane mainline and six different entry and exit points, inability to manage real-time traffic conditions, maintaining toll rates that correspond to volumes over time, and managing two integrated express lanes which use different congestion pricing methods. These challenges are explained further below:

Mainline and Entry and Exit Point Congestion Management

The addition of the 15/91 Express Connector is expected to increase demand for the 91 Express Lanes. This means volumes within the two-lane mainline will need to be monitored and tolls adjusted for both the two-lane mainline and the single lane movements to manage congestion. Additionally, the current time-of-day variable pricing strategy would result in a highly complex calculation to now also consider two additional movements that impact the mainline express lanes. This is a resource intensive effort.

Management of Real-Time Traffic Conditions

The current policy uses volume data from the prior twelve weeks to set tolls for the subsequent quarter. The use of historical data does not allow the setting of tolls to reflect current conditions or seasonal changes. For instance, tolls were adjusted on October 1, 2022, using data from July through September. Traffic volumes in the July through September period are lower than they are in October making the use of historical volumes less effective.

Traffic on the 91 Express Lanes is extremely volatile with volumes increasing and decreasing quickly. The current policy's ability to manage traffic using hourly volumes is less effective than a policy that would allow pricing to reflect what customers are actually experiencing on the

91 corridor. Traffic volumes within a peak period hour can vary dramatically. For instance, congestion and traffic volumes can be less at the beginning of the hour than toward the end, but in the current policy the entire hour will have the same toll rate. This does not manage demand optimally. Once congestion begins, it is very difficult to manage traffic in the subsequent hours. There can be a domino effect.

Maintaining Toll Rates that Correspond to Volumes

During peak periods where Level of Service E is reached in consecutive quarterly review periods, an incremental amount is added to the current toll. Today, several hours have similar volumes but there are variances in the toll amount because of some hours have had an incremental adjustment more frequently than others. Table 2 demonstrates this discrepancy for a sample of hours. On Thursdays the 2:00 PM hour had more volume than the 3:00 PM hour yet the toll is lower by \$3.45. The 3:00 PM and 4:00 PM hours had a similar volume yet the 3:00 PM toll is \$9.25 higher. Current toll policy does not provide a mechanism to ensure that hours with similar levels of service has similar tolls.

Hour	Thurs		Friday	
	Volume	Toll	Volume	Toll
1-2 PM	1,102	\$5.65	1,342	\$20.80
2-3 PM	1,315	\$13.85	1,345	\$27.90
3-4 PM	1,234	\$17.30	1,222	\$27.60
4-5 PM	1,254	\$8.05	1,182	\$16.25
5-6 PM	1,172	\$5.65	1,168	\$7.35
6-7 PM	1,180	\$5.65	1,163	\$5.65

Table 2: Sample of Current Toll Schedule

Managing Integrated Express Lanes

The 15/91 Express Connector introduces a trip combination which requires a customer to use both the 91 Express Lanes and 15 Express Lanes. The toll for customers using the 15/91 Express Connector will need to include the toll for the 91 Express Lanes, 15/91 Express Connector and the 15 Express Lanes. Today, the 91 Express Lanes and 15 Express Lanes have different methods of establishing tolls.

The toll for the 15 Express Lanes is based on real-time data (dynamic pricing) and the toll on the 91 Express Lanes is based on historical data (time-of-day variable pricing). Attempting to manage congestion with pricing methods that are not computing data in the same manner creates conflicts and reduces the effectiveness of pricing as a congestion management tool.

After much work attempting to develop a time-of-day policy that allows for the management of both the mainline 91 Express Lanes and each of the 6 entry and exit points, staff has concluded that the use of dynamic pricing for the 91 Express Lanes would resolve many of the current and anticipated time-of-day challenges.

The 15 Express Lanes have been operating as a dynamically priced facility since April 2022. The Commission adopted a toll policy that sets forth the minimum tolls and the parameters for the dynamic adjustments. During its first year of operation, the 15 Express Lanes was managed through time-of-day pricing while the algorithm was being adjusted and monitored. Once dynamic pricing began on the 15 Express Lanes, it became apparent that dynamic pricing had benefits to customers by offering lower toll rates during parts of the hour when volumes were lower, rather than tolls for the whole hour being set based on the peak volume within that hour. Table 3 below shows a peak period hour with the time-of-day toll, the dynamically priced toll following the implementation of dynamic pricing, and the dynamically priced toll following the 15 Corridor Improvement Project.

Time	Time-of-Day	Dynamically Priced	Dynamically Priced Post 15 ICOP
4:00 PM	\$12.00	\$11.20	\$8.55
4:05 PM	\$12.00	\$10.40	\$8.55
4:10 PM	\$12.00	\$12.00	\$7.75
4:15 PM	\$12.00	\$12.00	\$9.35
4:20 PM	\$12.00	\$10.80	\$10.95
4:25 PM	\$12.00	\$10.80	\$11.75
4:30 PM	\$12.00	\$12.00	\$12.00
4:35 PM	\$12.00	\$10.80	\$12.00
4:40 PM	\$12.00	\$10.40	\$11.20
4:45 PM	\$11.50	\$9.60	\$10.40
4:50 PM	\$11.50	\$8.80	\$10.00
4:55 PM	\$11.50	\$11.20	\$8.55

Table 3: 15 Express Lane Southbound Segment 4 Time-of-day vs. Dynamic Pricing

As can be seen from Table 3 above, the 4:00 PM hour under time-of-day pricing was set to manage the highest volume within the hour. With dynamic pricing the algorithm adjusted to the actual density of traffic in the segment. In July 2022, the Commission completed construction of an additional auxiliary lane on southbound I-15 between Cajalco Road and Weirick Road, which improved traffic conditions on both the general-purpose lanes of Interstate 15 and the 15 Express Lanes. The dynamic pricing algorithm immediately adjusted pricing to reflect the actual density. While toll revenue was reduced by the use of dynamic pricing both at the conversion from time-of-day tolling and upon the improvement with the new auxiliary lane, customers immediately benefited from lower tolls based on actual conditions rather than historical volume data.

In order to dynamically price the 91 Express Lanes, the following work will need to be performed:

- Installation of 7 poles with power, communication and 10 traffic detection devices;
- Integration of the data from the traffic detection devices into the toll system pricing algorithm;
- Change to the Kapsch maintenance contract to add maintenance for the traffic detection devices; and
- Upgrade of the westbound McKinley price sign.

The installation of the poles will require a competitive procurement which will be brought to the Commission in the Spring of 2023. The estimated costs of this effort is \$1,100,000. The remaining work is estimated to cost \$1,500,000 and can be performed as a change order to the Kapsch Contract. The approval of this resolution will allow staff to commence the work needed to implement dynamic pricing on the 91 Express Lanes.

Staff recommends that the 91 Express Lanes begin using dynamic pricing as its method of pricing upon the opening of the 15/91 Express Connector, which is expected in late 2023. As with the 15 Express Lanes, it will take some time for the algorithm to be adjusted and during that time prices will be set manually using density data from the algorithm.

As mentioned in the background section of this report, OCTA uses time-of-day pricing for the Orange County section of the 91 Express Lanes. OCTA will continue to use time-of-day pricing if the Commission changes to dynamic pricing. Today the prices for the OCTA segment and the RCTC segment are set using unique toll policies and displayed separately on the on-road price signs. The OCTA and RCTC tolls are posted as separate transactions to the customer's accounts and statements. The 91expresslanes.com has a page where each agency provides its toll policy and toll schedule. Staff has discussed the change to dynamic pricing for the RCTC 91 Express Lanes with OCTA and understands OCTA's concern regarding potential customer confusion with two different tolling methods. The Commission respects the partnership we have with OCTA, as joint operators of the 91 Express Lanes, and value their input on this matter. Staff is committed to performing customer education to mitigate any confusion this change may cause. Should the change to dynamic pricing be adopted staff will carefully monitor the customer impact and work to mitigate any customer confusion.

Customer outreach will be done in advance of the opening of the new 15/91 connector. The Commission successfully performed customer outreach with the opening of the 15 Express Lanes to address a change in the price which was posted on the on-road signs. The change to what was posted on the sign resulted in no measurable impact to customer service. Staff is confident that through a thorough outreach program concerns regarding customer confusion will be mitigated.

Staff recommends that, effective as of the date the 15/91 Express Lanes Connector opens to the traveling public, the proposed RCTC 91 Express Lanes Toll Policy and Toll Schedule attached to this staff report is intended to replace, in its entirety, and superseded the current toll policy. The attached toll policy and toll schedule sets forth the principles and parameters for dynamic pricing,

the minimum toll rate table, and discounts offered is attached to this report as Attachment 1. The principles and parameters included in the resolution are the same as those for the 15 Express Lanes:

1. The 91 Express Lanes will use dynamic pricing to set toll rates to optimize vehicle throughput at free flow speeds, while maintaining debt obligation, consistent with the 91 Express Lanes toll policy adopted by the Commission at its October 10, 2018 meeting.
2. A pricing algorithm which considers traffic volume, density, travel speed, travel time, flow of traffic, and historical traffic patterns will be used to determine the toll rate.
3. The pricing algorithm will establish a toll rate for each 91 Express Lanes Trip.
4. The toll rate will change as frequently as needed to maintain desired traffic conditions, but not more frequently than every three minutes; and
5. The toll rate could change in increments up to \$3.00 per trip.

The new toll policy and tolls schedule includes the minimum toll rate for each trip. Table 4 below includes the minimum toll rate for each trip in fiscal year 2023 dollars. The minimum toll rates will be adjusted by the inflation factor, if needed, on July 1, 2023, before they are implemented.

Westbound		Eastbound	
McKinley St. To County Line	\$1.75	County Line to McKinley St.	\$1.95
No. I-15 Magnolia to County Line	\$2.00	County Line to So. I-15 at Magnolia	\$2.20
So. 15 Express Lane at 2 nd Street to County Line	\$2.80	County Line to No. 15 Express Lane at Second Street	\$2.85

Table 4: 91 Express Lane minimum toll rate for each trip

The attached RCTC 91 Express Lanes Toll Policy and Toll Schedule includes changes to the discount offered to disabled veterans and veterans with other registered service plates. Assembly Bill 2949 provides for free tolls for veterans with certain plates issued by the Department of Motor Vehicles on all toll facilities except for HOT Lanes. It is not clear under current law that the 91 Express Lanes is considered a HOT Lane, therefore RCTC intends to provide for free tolls in accordance with Assembly Bill 2949. The 91 Express Lanes currently offers free travel to 91 Express Lanes account holders with disabled plates except for Monday through Friday from 4:00 to 6:00 PM in the eastbound direction when they receive a 50% discount. In response to Assembly Bill 2949, additional service-related plates will receive free travel; free tolls will be provided for qualifying plates at all times of the day and days of the week; and veterans who have an account with a toll agency other than the 91 Express Lanes will also receive free travel. The discount policy changes are intended to take effect as of January 1, 2023.

CONCLUSION:

The attached RCTC 91 Express Lanes Toll Policy and Toll Schedule implements the use of dynamic pricing for the 91 Express Lanes to allow for an improved method of adjusting tolls after the opening of the 15/91 Express Connector. It also includes the issuance of a 100 percent discount during all hours of travel to vehicles registered to veterans with a disabled plate or other veteran related plate included in Assembly Bill 2949 who have registered their vehicle as such and received a transponder from the 91 Express Lanes or any of our interoperable agencies.

In order to meet the toll policy goals of optimizing throughput at free flow speeds and balancing capacity and demand to serve customers and to comply with Assembly Bill 2949, amendments to the toll policy are required. The new RCTC 91 Express Lanes Toll Policy and Toll Schedule provides for the ability to address the RCTC 91 Express Lanes operational constraints and corresponding toll setting needs. Therefore, staff recommends approval of Resolution 22-022, *“Resolution of the Riverside County Transportation Commission Adopting the RCTC 91 Express Lane Toll Policy and Toll Schedule”*, which shall replace and supersede the Amended and Restated RCTC 91 Express Lanes Toll Policy as of the opening of the 15/91 Connector to the traveling public, except that the discount policy shall take effect January 1, 2023.

FISCAL IMPACT:

This item does not have any direct financial impact.

Attachments:

- 1) Resolution 20-022 *“Resolution of the Riverside County Transportation Commission Adopting the RCTC 91 Express Lane Toll Policy and Toll Schedule”*
- 2) RCTC 91 Express Lanes Toll Policy and Toll Schedule

Approved by the Toll Policy and Operations Committee on November 29, 2022

In Favor: 5 Abstain: 0 No: 0

RESOLUTION NO. 22-022

**RESOLUTION OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
ADOPTING
THE RCTC 91 EXPRESS LANES
TOLL POLICY AND TOLL SCHEDULE**

WHEREAS, the Riverside County Transportation Commission (the “Commission”) has been, in accordance with its legislative and regulatory authority, operating two tolled Express Lanes in Riverside County located between the Orange County Line and Interstate 15 (“RCTC 91 Express Lanes”);

WHEREAS, the Commission adopted its original RCTC 91 Express Lanes Toll Policy on June 7, 2012 (“Original Policy”);

WHEREAS, the Commission adopted an Amended and Restated RCTC 91 Express Lanes Toll Policy on October 10, 2018 (“Amended Policy”);

WHEREAS, the Commission retains the authority to add, delete, or otherwise modify its policies and procedures;

WHEREAS, the Commission is constructing a new connection from the eastbound 91 Express Lanes to the northbound 15 Express Lanes and from the southbound 15 Express Lanes to the westbound 91 Express Lanes (“15/91 Express Lanes Connector”);

WHEREAS, the Commission desires, as of the date the 15/91 Express Lanes Connector opens for use by the traveling public, to replace and supersede, in its entirety, the Amended Policy with the RCTC 91 Express Lanes Toll Policy and Toll Schedule attached to this Resolution as Exhibit A and incorporated herein by reference;

WHEREAS, the Commission desires that the changes to the discount policy included in RCTC 91 Express Lanes Toll Policy and Toll Schedule take effect as of January 1, 2023, earlier than the remainder of the new toll policy and toll schedule.

WHEREAS, the intent of the attached RCTC 91 Express Lanes Toll Policy and Toll Schedule is to address higher than expected traffic demand, traffic management in the single-lane portions of the facility, realized express lane capacity, annual toll rate inflation

adjustments, changes to the toll discount policy, and to implement Dynamic Pricing as defined in attached Exhibit A;

WHEREAS, the Commission provided notice of a public hearing, to be held January 11, 2023, regarding adoption of this Resolution in a newspaper of general circulation in accordance with Government Code section 6062a.

NOW, THEREFORE, be it resolved by the Riverside County Transportation Commission as follows:

Section 1. The Riverside County Transportation Commission hereby adopts the RCTC 91 Express Lanes Toll Policy and Toll Schedule attached as Exhibit A which, as of the date the 15/91 Express Lanes Connector opens for use by the traveling public, shall take effect and shall replace and supersede, in its entirety, the Amended Policy. The details of the RCTC 91 Express Lanes Toll Policy and Toll Schedule have been approved by the Commission, following a public hearing, during its actions on January 11, 2023 and shall be communicated to the financial community, toll facility users, and the general public.

Section 2. Notwithstanding Section 1 above, the portion of the attached RCTC 91 Express Lanes Toll Policy and Toll Schedule titled “Discounts” shall take effect on January 1, 2023 and, as of said date, shall amend and replace the provisions of the Amended Policy related to discounts.

APPROVED AND ADOPTED this January 11, 2023.

[Signatures on following page]

**SIGNATURE PAGE
TO
RESOLUTION NO. 22-022**

**RESOLUTION OF THE
RIVERSIDE COUNTY TRANSPORTATION COMMISSION
ADOPTING
THE RCTC 91 EXPRESS LANES
TOLL POLICY AND TOLL SCHEDULE**

Robert E. Magee, Chair
Riverside County Transportation Commission

ATTEST:

Lisa Mobley
Clerk of the Board

EXHIBIT A

RCTC 91 EXPRESS LANES TOLL POLICY AND TOLL SCHEDULE

[attached behind this page]

EXHIBIT A

RCTC 91 Express Lanes Toll Policy and Toll Schedule

Goals

The goals of the RCTC 91 Express Lanes Toll Policy and Toll Schedule are to:

- Provide a safe, reliable, and predictable commute for 91 Express Lanes customers;
- Optimize vehicle throughput at free flow speeds;
- Pay debt service and maintain debt service coverage;
- Increase average vehicle occupancy;
- Balance capacity and demand to serve customers who pay tolls as well as carpoolers with three or more persons who are offered discounted tolls;
- Generate sufficient revenue to sustain the financial viability of the RCTC 91 Express Lanes;
- Ensure all covenants in the Financing Documents are met; and
- Provide net revenues for State Route 91 corridor improvements.

Definitions

Abnormal Traffic – when traffic volumes vary from those of a prior period due to a holiday, incident, construction, or other atypical occurrence.

Dynamic Pricing – The setting of a toll in real-time based on level of traffic congestion and other factors.

Emergency – A national, state, or local declared state of emergency or other emergency situation that impacts toll operations.

Inflation Factor – The U.S. Bureau of Labor Statistics Consumer Price Index adjuster for the region from January to December of the previous calendar year that will be applied annually to the Minimum Toll Rate.

Minimum Toll Rate – The lowest toll per trip that the Pricing Algorithm can assign.

Pricing Algorithm – The methodology by which tolls are set that aims to manage demand for the express lanes by adjusting tolls using real-time and historic traffic data.

Trip – A unique combination of entry and exit points on the 91 Express Lanes.

Trip Minimum Toll Rate – Established by multiplying the Minimum Toll Rate per mile by the number of miles for each trip and rounded up to the nearest \$.05.

Dynamic Pricing Principles and Parameters

1. The 91 Express Lanes will use Dynamic Pricing to set toll rates to optimize vehicle throughput at free flow speeds consistent with the goals in this RCTC 91 Express Lanes Toll Policy and Toll Schedule.
2. A Pricing Algorithm which considers traffic volume, density, travel speed, travel time, flow of traffic, and historical traffic patterns will be used to determine the toll rate.
3. The Pricing Algorithm will establish a toll rate for each 91 Express Lanes Trip.
4. The toll rate will change as frequently as needed to maintain desired traffic conditions, but not more frequently than every three minutes; and
5. The toll rate could change in increments up to \$3.00 per Trip.

Minimum Toll Rates

Minimum Toll Rates were initially established based on the rate assumed in the traffic and revenue study used to finance the 91 Express Lanes Project. The Minimum Toll Rates have been adjusted by the inflation factor each year on July 1. The Minimum Toll Rates will be adjusted annually, effective each July 1, by the Inflation Factor and rounded to the nearest 5 cents. The Minimum Toll Rates in Figure 1 will be adjusted by the Inflation Factor on July 1, 2023. When a toll rate is in effect it shall never be less than the Minimum Toll Rate.

Figure 1 Minimum Toll Rate Schedule (effective July 1, 2022)

Westbound		Eastbound	
McKinley St. To County Line	\$1.75	County Line to McKinley St.	\$1.95
No. I-15 Magnolia to County Line	\$2.00	County Line to So. I-15 at Magnolia	\$2.20
So. 15 Express Lane at 2 nd Street to County Line	\$2.80	County Line to No. 15 Express Lane at Second Street	\$2.85

Toll Rates

Toll rates will be determined in real-time based on the level of traffic congestion and other factors consistent with Dynamic Pricing. There is no maximum toll rate. The goals of this RCTC 91 Express Lanes Toll Policy and Toll Schedule are to optimize person throughput in the corridor while meeting debt obligations. This balances throughput and revenue thereby providing the

flexibility to better match lane supply with user demand. This flexibility in the maximum toll rate also supports the creditworthiness of the 91 Express Lanes and ensures the Commission's ability to meet its operating and debt obligations.

Displaying Toll Rates

1. Toll rates will be posted on overhead signs in advance of each 91 Express Lanes entrance.
2. Each toll rate sign will include toll rates to the posted destination.
3. The customer will be charged the toll posted at the time they passed the toll rate sign.
4. Should the toll rate sign not be able to display tolls for any reason then the historical rate for the same time period will be posted.

Abnormal Traffic Conditions or Emergencies and Suspension of Tolling

A temporary toll schedule may be implemented, which may include the suspension of tolling, during Abnormal Traffic or Emergencies.

Discounts

The following vehicles, which have a valid FasTrak account, will travel for free in the 91 Express Lanes except for Monday through Fridays between 4:00 p.m. and 6:00 p.m. in the eastbound direction when they will pay 50% of the toll:

- 1) Vehicles with three or more persons (HOV3+) when using the dedicated 3+ lane;
- 2) Zero emission vehicles (ZEVs) that are registered to a 91 Express Lanes account and have provided a valid certification from the Department of Motor Vehicles;
- 3) Vehicles with disabled plates that are registered to a 91 Express Lanes account and have provided the Department of Motor Vehicles registration indicating that the vehicle is registered with a disabled plate

Notwithstanding (3) above, vehicles registered to a disabled veteran or other veteran statuses as included in Assembly Bill 2949, who have provided proof of such by submitting their Department of Motor Vehicles registration to the agency that holds their FasTrak account, will travel for free in the 91 Express Lanes. The list of qualifying veteran statuses includes the following:

- Disabled veteran
- Pearl Harbor survivor
- Former Prisoner of War
- Congressional Medal of Honor
- Purple Heart Recipient
- Army Medal of Honor, Navy Medal of Honor, Air Force Medal of Honor, Army Distinguished Service Cross, Navy Cross, or Air Force Cross

Financing Requirements

RCTC shall charge and collect tolls that generate enough revenue to maintain the debt service coverage ratios as required in the financing documents and to operate and maintain the RCTC 91 Express Lanes in a safe condition in accordance with all applicable laws and regulations.

AGENDA ITEM 7A

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Lisa Mobley, Administrative Services Director/Clerk of the Board
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	AB 361 Determination

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Reaffirm the findings in Resolution No. 22-007, *“A Resolution of the Board of Commissioners of the Riverside County Transportation Commission Authorizing Virtual Board and Committee Meetings Pursuant to AB 361.”* The findings are as follows:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

BACKGROUND INFORMATION:

Since the onset of the COVID-19 in early 2020, California government agencies have been able to continue to discharge their legal responsibilities through the use of virtual teleconferencing platforms such as Zoom to hold public meetings that enabled agencies to meet and conduct business, comply with social distancing orders and most importantly, provide access to the public. In many cases, virtual meetings have actually enhanced public participation, particularly in larger counties including Riverside County where traveling to a public meeting can be inconvenient or require traveling a long distance. Both the RCA and RCTC have been meeting on Zoom since March of 2020, when many Executive Orders were issued by Governor Newsom in response to the pandemic. One such order altered Brown Act requirements to allow for virtual meetings.

Although transmission, hospitalization and death rates from COVID-19 have sharply declined since the original onset of the pandemic and subsequent Delta Variant surge, an air or uncertainty remains regarding the pandemic and many counties continue to recommend masking inside and social distancing. Given that environment and a desire to continue allowing for the flexibility of holding virtual meetings, the Legislature recently approved, and Governor Newsom signed, Assembly Bill 361 to temporarily allow for virtual meeting under proscribed circumstances.

AB 361

Effective immediately, AB 361 amends the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology in certain circumstances. Under the Bill, legislative bodies can continue to meet remotely as long as there is a “proclaimed state of emergency” and the Commission can make either of the following findings: (a) state or local officials have imposed or recommended measures to promote social distancing or (b) whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

The Governor proclaimed a State of Emergency on March 4, 2020 related to the COVID-19 pandemic, which State of Emergency continues to exist to this day. Further, both State and Riverside County officials continue to recommend the social distancing.

AB 361 requires specific procedural safeguards for the public. To accommodate individuals during these teleconferences and virtual meetings, a public comment period will be offered where the public can address the legislative body directly in real time. Additionally, public comments will be allowed up until the public comment period is closed at the meetings. The agenda will include information on the manner in which the public may access the meeting and provide comments remotely. If technical problems arise that result in the public’s access being disrupted, the legislative body will not take any vote or other official action until the technical disruption is corrected and public access is restored.

The attached Resolution allows the Board to implement AB 361 by making the findings discussed above. This findings will be in effect for 30 days or until the Board makes findings that the conditions listed therein long longer exist, whichever is shorter. The findings can be extended by the Board upon a finding that conditions supporting the findings included in the Resolution still exist. The authorization to meet remotely will apply to any Committees that meet during the 30-day effective period.

AB 361 will allow for virtual meetings during other state-proclaim emergencies, such as earthquakes or wildfires, where physical attendance may present a risk. AB 361 is scheduled to sunset January 1, 2024.

STAFF RECOMMENDATION:

Reaffirm the findings in *Resolution No. 22-007, “A Resolution of the Board of Commissioners of the Riverside County Transportation Commission Authorizing Virtual Board and Committee Meetings Pursuant to AB 361”*.

Attachment: Resolution No. 22-007

RESOLUTION NO. 22-007

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE RIVERSIDE COUNTY
TRANSPORTATION COMMISSION AUTHORIZING VIRTUAL BOARD AND
COMMITTEE MEETINGS PURSUANT TO AB 361**

WHEREAS, the Riverside County Transportation Commission (“Commission”) is committed to preserving and nurturing public access and participation in meetings of the Board of Commissioners, Executive Committee, Budget and Implementation Committee, Western Riverside County Programs and Projects Committee, Toll Policy and Operations Committee, Citizens and Specialized Transit Advisory Committee, and Technical Advisory Committee; and

WHEREAS, all meetings of the Commission’s legislative bodies, including its Board of Commissioners, Executive Committee, Budget and Implementation Committee, Western Riverside County Programs and Projects Committee, Toll Policy and Operations Committee, Citizens and Specialized Transit Advisory Committee, and Technical Advisory Committee are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the Commission’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the Commission has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, Commission staff and Commissioners; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the Commission, specifically, a state of emergency has been proclaimed related to COVID-19 and state or local officials are recommending measures to promote social distancing,

NOW, THEREFORE, BE IT RESOLVED THAT THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Findings. Consistent with the provisions of Government Code Section 54953(e), the Board of Commissioners finds and determines that (1) a state of emergency related to COVID-19 is currently in effect and (2) state or local officials have recommended measures to promote social distancing in connection with COVID-19.

Section 3. Remote Teleconference Meetings: Based on the findings and determinations included herein, the Board of Commissioners authorizes and directs any of its legislative bodies, including without limitation its Board of Commissioners, Executive Committee, Budget and Implementation Committee, Western Riverside County Programs and Projects Committee, Toll Policy and Operations Committee, Technical Advisory Committee, and Citizens and Specialized Transit Advisory Committee to conduct remote teleconference meetings under the provisions of Government Code Section 54953(e) and that such bodies shall provide public access to their meetings as provided in Section 54953(e).

Section 4. Full and Fair Access: In making the findings included herein the board specifically relies on Section 8(b) of Stats.2021, c.165 (A.B.361), § 3, eff. Sept. 16, 2021.) which provides as follows:

(b) The Legislature finds and declares that [the changes made by AB 361 to] Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

Section 5. Effective Date of Resolution. This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Board of Commissioners in accordance with Section 5 of this Resolution.

Section 6. Extension by Motion. The Board of Commissioners may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3). Any such extension may be made before or after the expiration of the preceding 30 day period.

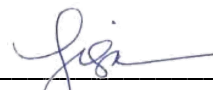
PASSED AND ADOPTED by the Board of Commissioners of the Riverside County Transportation Commission this 9th day of March 2022, by the following vote:

APPROVED AND ADOPTED this 9th day of March, 2022.



V. Manuel Perez, Chair
Riverside County Transportation Commission

ATTEST:



Lisa Mobley, Clerk of the Board
Riverside County Transportation Commission

AGENDA ITEM 7B

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

MEETING MINUTES

Wednesday, December 14, 2022

1. CALL TO ORDER

The Riverside County Transportation Commission was called to order by Vice Chair V. Bob Magee at 9:38 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California, 92501 and via Zoom: Meeting ID: 820 0824 0042, Passcode: 20220413. This meeting was conducted in-person as well as virtually in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

2. ROLL CALL

Commissioners/Alternates Present

Ben J. Benoit
Brian Berkson
Chuck Conder
Joseph DeConinck
Waymond Fermon
Kathleen Fitzpatrick
Raymond Gregory
Jan Harnik
Kurt Heidelberg*
Jeff Hewitt
Ted Hoffman
Kevin Jeffries
Linda Krupa
Clint Lorimore
Bob Magee
Scott Matas*
Participated via Zoom*

Lisa Middleton
Linda Molina
Dana Reed*
Jeremy Smith
Wes Speake
Karen Spiegel
Michael M. Vargas*
Chuck Washington
Ted Weill*
Lloyd White
Bill Zimmerman

Commissioners Absent

Lisa DeForest
Maryann Edwards
Yxstian Gutierrez
Michael Heath
Steven Hernandez
V. Manuel Perez
To be Appointed, City of Banning

3. PLEDGE OF ALLEGIANCE

Second Vice Chair Lloyd White led the Commission in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR

M/S/C (Gregory/Lorimore) to approve the following Consent Calendar items.

Commissioner Kevin Jeffries verified with Lisa Mobley, Administrative Services Director/Clerk of the Board, regarding Agenda Item 6C, *“Proposed 2023 Commission/Committee Meeting Schedule”*, if the schedule was amended as to the location of the meeting.

Lisa Mobley explained staff did note that the May 2023 Commission meeting will be in the Coachella Valley as the location and had the Executive Committee as being held in Riverside, which would be impossible. There was an asterisk on the schedule that said the time and location to be determined, but she stated the change for the May 2023 Executive Committee location will be made.

6A. AB 361 DETERMINATION

Reaffirm the findings in Resolution No. 22-007, *“A Resolution of the Board of Commissioners of the Riverside County Transportation Commission Authorizing Virtual Board and Committee Meetings Pursuant to AB 361.”*

The findings are as follows:

- a) The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which continues to exist today; and
- b) State or local officials have recommended measures to promote social distancing.

6B. APPROVAL OF MINUTES – NOVEMBER 9, 2022

6C. PROPOSED 2023 COMMISSION/COMMITTEE MEETING SCHEDULE

- 1) Adopt its 2023 Commission/Committee Meeting Schedule.

6D. PROPOSED ADMINISTRATIVE CODE CHANGES

- 1) Adopt Ordinance No. 22-001, *“An Ordinance Amendment the Riverside County Transportation Commission Administrative Code”*.

6E. FISCAL YEAR 2021/22 COMMISSION AUDIT RESULTS

- 1) Receive and file the Fiscal Year 2021/22:
 - a) Annual Comprehensive Financial Report (ACFR);
 - b) Local Transportation Fund (LTF) Financial and Compliance Report;
 - c) State Transit Assistance (STA) Fund Financial and Compliance Report;
 - d) State of Good Repair (SGR) Fund Financial and Compliance Report;
 - e) Proposition 1B Rehabilitation and Security Project (Proposition 1B) Accounts Financial and Compliance Reports;
 - f) Low Carbon Transit Operations Program (LCTOP) Account Financial and Compliance Reports;
 - g) Single Audit Report;
 - h) RCTC 91 Express Lanes Fund Financial Report;
 - i) 15 Express Lanes Fund Financial Report;
 - j) Auditor Required Communications Report;
 - k) Agreed-Upon Procedures Report related to the Appropriations Limit Calculation;
 - l) Agreed-Upon Procedures Report related to the Commuter Assistance Program (CAP) incentives; and
 - m) Management certifications.

6F. QUARTERLY FINANCIAL STATEMENTS

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 30, 2022.

6G. QUARTERLY INVESTMENT REPORT

- 1) Receive and file the Quarterly Investment Report for the quarter ended September 30, 2022.

6H. FEDERAL TRANSIT ADMINISTRATION TRIENNIAL REVIEW FISCAL YEAR 2022 RESULTS

- 1) Receive and file a report on the Fiscal Year 2022 Triennial Review of the Commission performed by the Federal Transit Administration (FTA).

6I. FISCAL YEARS 2019-2021 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT RESULTS FOR THE COMMISSION AND RIVERSIDE COUNTY TRANSIT OPERATORS

- 1) Receive and file the Fiscal Years 2018/2019 through FY 2020/2021 Transportation Development Act (TDA) triennial performance audit results for the Commission; and
- 2) Receive and file the FYs 2018/2019 through FY 2020/2021 TDA triennial performance audit results for the cities of Banning, Beaumont, Corona, and Riverside; Palo Verde Valley Transit Agency (PVVTA); Riverside Transit Agency (RTA); and SunLine Transit Agency (SunLine).

6J. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY-SEPTEMBER 2022

- 1) Receive and file the Quarterly Public Engagement Metrics Report for July-September 2022.

6K. AMEND THE INTERSTATE 15 EXPRESS LANES PROJECT TOLL SERVICES CONTRACT WITH KAPSCH TRAFFICCOM USA INC. TO EXTEND THE TERM OF THE CONTRACT

- 1) Approve Agreement No. 16-31-043-03, Amendment No. 03 to Agreement No. 16-31-043-00, with Kapsch TrafficCom USA Inc. (Kapsch) for the Toll Services Contract for 15 Express Lanes Project to extend the contract term by five years, in the amount of \$42,219,382, plus a contingency amount of \$4,222,000, for a total amount not to exceed \$46,441,382;
- 2) Authorize the payment of passthrough items in an amount not to exceed \$3 million; and
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the Amendment on behalf of the Commission.

6L. AGREEMENTS FOR ON-CALL ENVIRONMENTAL CONSULTING SERVICES

- 1) Award the following agreements to provide on-call environmental consulting services for a three-year term, and one, two-year option to extend the agreements, in an amount not to exceed an aggregate value of \$3,000,000;
 - a) Agreement No. 22-31-092-00 to GPA Consulting;
 - b) Agreement No. 22-31-103-00 to HNTB Corporation;
 - c) Agreement No. 22-31-104-00 to ICF Jones & Stokes, Inc.; and
 - d) Agreement No. 22-31-105-00 to Stantec Consulting Services, Inc.;
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements, including option years, on behalf of the Commission; and
- 3) Authorize the Executive Director, or designee, to execute task orders

awarded to the consultants under the terms of the agreements.

6M. QUARTERLY REPORTING OF CONTRACT CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three months ended September 30, 2022.

7. ANNUAL INVESTMENT POLICY

Sergio Vidal, Chief Financial Officer, presented the annual Investment Policy, highlighting the following:

- Primary objectives
 - Safety of Principal
 - Sufficient Liquidity
 - Maximize return on Investments
- Background
 - Reviewed relevant government code sections related to Investments
 - Received feedback from securities professionals who manage Commission Funds
 - Consulted with legal counsel
- Proposed changes to the policy
 - Administrative changes
 - ✓ In accordance with the government code section
 - ✓ Expansion of third parties who are subject to due diligence provisions
 - ✓ Minor language updates
 - Reporting
 - ✓ Provide a monthly staff report to the Commission
- Next steps

M/S/C (Zimmerman/Speake) to

- 1) **Approve the revised annual Investment Policy; and**
- 2) **Adopt Resolution No. 22-020, “Resolution of the Riverside County Transportation Commission Regarding the Revised Investment Policy”.**

8. 2023 STATE AND FEDERAL LEGISLATIVE PLATFORM AND LEGISLATIVE UPDATE

David Knudsen, External Affairs Director, presented an update for the state and federal legislative activities.

Commissioner Jan Harnik expressed appreciation for the great work and for the revisions to the platform as they cause so many of the things the Commission has been trying to address to become more inclusive of more issues. She also expressed appreciation that there is more emphasis on CV Rail. Commissioner Harnik noted telework is also included in the platform and encouraging that so there is a more positive impact on congestion and the environment, but it is tele everything now i.e., tele-medicine and tele-education. She suggested if it would be to the Commission's advantage to change it then they should look at that, otherwise this is a great document.

Commissioner Wes Speake expressed appreciation for the report and stated it is going to be another year of assault on transportation. Commissioner Speake explained he has urged all the cities here as the city of Corona (Corona) before focused on their Federal Legislation and Corona has gone from investing very heavily in having a state lobbyist and including where Corona is trying to sponsor legislation this year about working with the Commission and their colleagues to continue to engage the Commissioners and allow them to advocate for legislative changes to keep their core mission in place.

M/S/C (White/Benoit) to:

- 1) Adopt the Commission's 2023 State and Federal Legislative Platform; and**
- 2) Receive and file a state and federal legislative update.**

9. ELECTION OF RIVERSIDE COUNTY TRANSPORTATION COMMISSION OFFICERS

Vice Chair Magee opened the nominations for Chair, First Vice Chair, and Second Vice Chair.

Lisa Mobley clarified that one officer needs to be a supervisor.

Commissioner Raymond Gregory, seconded by Commissioner Ben Benoit nominated Vice Chair Bob Magee for Chair for 2023.

Commissioner Dana Reed requested to vote on the Chair, Vice Chair, and Second Vice Chair for 2023 with one motion.

At this time, Vice Chair Magee clarified if Commissioner Reed would like to make that substitute motion.

Commissioner Reed, seconded by Commissioner Jeffries nominated Vice Chair Bob Magee as Chair, nominated Second Vice Chair Lloyd White as the First Vice Chair, and nominated Commissioner Karen Spiegel as the Second Vice Chair for 2023. No other nominations were received.

Vice Chair Magee closed the nominations. Bob Magee was elected as the Commission's Chair, Lloyd White as Vice Chair, and Karen Spiegel as Second Vice Chair for 2023.

10. APPOINTMENT OF EXECUTIVE COMMITTEE MEMBERS

Vice Chair Magee stated that the various cities need to break off into separate groups and caucus and asked what the plan was for the Commissioners that are on zoom.

Lisa Mobley replied if the Commissioners on zoom would like to weigh in they will be doing it publicly.

Vice Chair Magee announced there are three groups, which is the large cities group, the small cities group, and the desert communities get in their groups and caucus in the Board Room.

Commissioner Speake announced the cities of Corona, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Riverside, and Temecula appointed Commissioner Brian Berkson and Commissioner Wes Speake to continue as their representatives to the Executive Committee.

Commissioner Ben Benoit announced the cities of Banning, Beaumont, Calimesa, Canyon Lake, Eastvale, Hemet, Lake Elsinore, Norco, Perris, San Jacinto, and Wildomar appointed Commissioner Linda Krupa as their representative to the Executive Committee.

Commissioner Raymond Gregory announced the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage appointed Commissioner Lisa Middleton to continue as their representative to the Executive Committee.

- 1) The cities of Corona, Jurupa Valley, Menifee, Moreno Valley, Murrieta, Riverside, and Temecula to appoint two representatives to the Executive Committee;**
- 2) The cities of Banning, Beaumont, Calimesa, Canyon Lake, Eastvale, Hemet, Lake Elsinore, Norco, Perris, San Jacinto, and Wildomar to appoint one representative to the Executive Committee; and**
- 3) The cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage to appoint one representative to the Executive Committee.**

11. ITEM(S) PULLED FROM CONSENT CALENDAR FOR DISCUSSION

There were no items pulled from the consent calendar.

12. EXECUTIVE DIRECTOR'S REPORT

- Anne Mayer announced the Placentia Interchange in the city of Perris is now open to the public although the city of Perris has some work to be done on Placentia itself.
- On December 7-8 the California Transportation Commission (CTC) was here in the Board Room having their December meeting. She thanked Vice Chair Magee for welcoming the CTC to the region. In cooperation and collaboration with San Bernardino County Transportation Authority (SBCTA) prepared a video to present to the CTC Commissioners to provide some highlights of the region. A link of the video will be sent to all the Commissioners. Prior to the CTC meeting Ray Wolfe, SBCTA Executive Director, Aaron Hake, and she were tour guides for the CTC staffers, the CTC Chair Lee Ann Eager, Caltrans Director Tony Tavares arranged by CTC Commissioner Tavaglione went on a helicopter tour of the region. They showed the 15/91 Express Lanes, the warehouse logistic challenges, the rail lines, the progress with passenger rail, and the State Route 60 Truck Lanes Project and was able to understand the magnitude of the goods movement challenges here and issues related to affordable housing.
- Expressed appreciation to former Commissioner Maryann Edwards for her many years of service with RCTC and with the Western Riverside County Regional Conservation Authority (RCA) as well as many other regional bodies.
- Staff would like to acknowledge Commissioner Ben Benoit who has been a member of the Commission for several years and the past Chair and she thanked Commissioner Benoit for his years of service and all that he has done in his leadership here.

13. COMMISSIONER COMMENTS

- 13A.** Commissioner Joey DeConinck announced on December 5 the city of Blythe (Blythe) found out the Chuckawalla Valley State Prison will be closing in March 2025. He is reaching out to everybody here for help with public direction because on December 19 they are supposed to meet with their representatives. That prison employs 852 people, there are currently 2,039 inmates, they may lose 1,000 riders in the transit program so they may have to layoff people, their school district is going to have issues, their hospital is going to have issues because usually there is an inmate or two there a day. Blythe is struggling all the time, but this is going to put another vacant building in Blythe, and this is one of the newest prisons out there. They could also lose the inmate labor with Caltrans.
- 13B.** Anne Mayer announced that it is also Commissioner Jeff Hewitt's last meeting. Staff appreciation to Commissioner Hewitt and before he became a supervisor, he came from the city of Calimesa, so he has long been the neighbor of the Pass folks. She expressed appreciation for his support of the RCTC team for his input on many

of RCTC's key issues and commended Commissioner Hewitt for everything he has done.

13C. Commissioner Ted Hoffman expressed appreciation for Commissioner DeConinck's comments about the prison in Blythe. He announced the Hamner Bridge now known as the Mayor Berwin Hanna Bridge the new lanes will be open by January 2023 on that section, and they will start on the other side. He expressed appreciation for all the work the Commission has done on that.

13D. Commissioner Benoit announced the first segment of Bundy Canyon Road is almost completed which will add six lanes right off the freeway. There are two more phases to be completed in the city of Wildomar and he encouraged the Commission to continue to watch for the opportunity to support that especially with the second phase as the city of Wildomar will be asking for quite a bit more than it was anticipated. This is huge for this region as they look for other east west connectors across the I-15 freeway. It is almost there the signal lights are up, all the asphalt has been laid, it just has not been restriped and rezoned, but they are getting close. He thanked RCTC for their contribution to that project.

14. CLOSED SESSION

14A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Agency Negotiator: Executive Director or Designee

Item	Property Description	Property Owner	Buyer(s)
1	279-530-030 279-240-020 279-240-008	RCTC	Mad Atom, LLC Shea Properties Crystal Windows & Doors

There were no announcements from the Closed Session.

15. ADJOURNMENT

There being no further business for consideration by the Riverside County Transportation Commission, Vice Chair Magee adjourned the meeting at 10:27 a.m. The next Commission meeting is scheduled to be held at 9:30 a.m., Wednesday, January 11, 2023.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Lisa Mobley', with a long horizontal flourish extending to the right.

Lisa Mobley
Administrative Services Director /
Clerk of the Board

AGENDA ITEM 7C

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Cheryl Donahue, Public Affairs Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Amendments for On-Call Public Outreach and Marketing Services

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve the amendments to the on-call public outreach marketing services contract, exercise a two-year option, and approve \$500,000 additional cost authorization for a not to exceed \$1,500,000 contract authority to the following agreements:
 - a) Agreement No. 17-15-105-04, Amendment No. 3 to Arellano Associates;
 - b) Agreement No. 17-15-110-02, Amendment No. 2 to Celtis Ventures, Inc.;
 - c) Agreement No. 17-15-111-03, Amendment No. 3 to CityWorks People + Places, Inc.;
 - d) Agreement No. 17-15-113-02, Amendment No. 2 to MBI Media; and
 - e) Agreement No. 17-15-114-02, Amendment No. 2 to Moore Iacofano Goltsman, Inc. (MIG)
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements amendment on behalf of the Commission; and
- 3) Authorize the Executive Director, or designee, to execute task orders awarded to the consultants under the terms of the agreements.

BACKGROUND INFORMATION:

At its November 8, 2017, meeting, the Commission approved three-year term agreements for on-call public outreach services to six firms.

This on-call public outreach services contract helps staff keep the public informed of various Commission projects and programs. Over the last five years, these services contributed to one of the principles of RCTC's 2016 Strategic Assessment: "Communicate More.". Through this contract, robust public outreach campaigns were executed for the Route 60 Truck Lanes Project, the Riverside-Downtown Station Improvement Project, and the SB 1 Public Education Program. In addition, the contract has allowed the Commission to market Metrolink rail service as a travel alternative and support social media and digital communications.

As a result of these efforts, the Commission has experienced a rise in public engagement over the past five years. With the changing nature of communications, funding constraints, and increasing traffic congestion and mobility challenges in Riverside County, staff believes the Commission must continue to be proactive in reaching its constituents. The designated firms, on an on-call basis, will be available to assist the External Affairs Department to develop and execute data-driven, two-way, bilingual (English and Spanish) public outreach and marketing services. Current areas of focus for the Commission include capital projects, multimodal programs, transportation funding needs, emission reductions, motorist assistance, habitat conservation, and legislative initiatives. These efforts are designed to help the Commission maintain transparency and deepen its engagement with the communities it serves countywide.

Moreover, the Commission must avail itself of the opportunity to listen and receive feedback from its constituents so that its program, projects, and services are most responsive to the needs of the public today and for the future. The overlap of initiatives regarding habitat conservation also requires elevated public engagement.

In January 2021, the Commission exercised the first two-year contract extension option with no additional funds. The need for additional budget authority was not necessary for staff to continue to work on ongoing public outreach projects with the current contract authority amount.

As the Commission continues to expand its digital campaigns and in-person presence in a post-pandemic environment, regular external communications to the public via social media and other traditional outreach methods will be needed. The Commission will need to keep qualified communication firms available for public outreach tasks beyond the available bandwidth of its small in-house staff. This approach is consistent with the Commission's adopted budget principle of maintaining a lean organization that relies on consultants.

RECOMMENDATION:

Staff recommends approval of Amendment No. 3 with Arellano Associates, Amendment No. 2 with Celtis Ventures, Inc., Amendment No. 3 with City Works People + Places, Inc., Amendment No. 2 with MBI Media, and Amendment No. 2 Moore Iacofano Goltsman, Inc. to extend the term of the agreements for an additional two years with an additional \$500,000 cost authorization for a not to exceed \$1,500,000 contract authority.

The sixth firm, Agency ETA, was unresponsive in 2020 when the first two-year option was exercised. Staff is recommending not to amend Agency ETA's contract.


Additionally, staff recommends the Commission authorize the Chair or Executive Director to execute the amendments on behalf of the Commission and authorize the Executive Director, or designee, to execute purchase orders awarded to the contractors under the terms of the agreements.

The award, on-call, indefinite delivery/indefinite quantity task order type contract does not guarantee work to the awardees; therefore, no funds are guaranteed to the consultants. Services will be provided through the Commission's issuance of contract task orders to the consultant on an as-needed basis.

The Commission's model on-call professional services agreement will be entered into with the consultant firm, pursuant to legal counsel review. Staff oversight of the contract and task orders will maximize the effectiveness of the consultant and minimize costs to the Commission.

FISCAL IMPACT:

Funding for the contract amendments will be provided by Measure A and various local and state funds derived from highway, rail, and conservation projects.

Financial Information					
In Fiscal Year Budget:	Yes	Year:	FY 2022/23 FY 2023/24+	Amount:	\$250,000 \$250,000
Source of Funds:	Various Measure A and/or other local and state funds			Budget Adjustment:	No
GL/Project Accounting No.:	Various projects and programs				
Fiscal Procedures Approved:				Date:	12/13/2022

Attachments:

- 1) Draft Agreement No. 17-15-105-04, Amendment No. 3 with Arellano Associates
- 2) Draft Agreement No. 17-15-110-02, Amendment No. 2 with Celtis Ventures, Inc.
- 3) Draft Agreement No. 17-15-111-03, Amendment No. 3 with CityWorks People + Places, Inc.
- 4) Draft Agreement No. 17-15-113-02, Amendment No. 2 with MBI Media
- 5) Draft Agreement No. 17-15-114-02, Amendment No. 2 with Moore Iacofano Goltsman, Inc.

Agreement No. 17-15-105-03

**AMENDMENT NO. 3 TO
AGREEMENT FOR ON-CALL PUBLIC OUTREACH
AND MARKETING SERVICES
WITH ARELLANO ASSOCIATES**

1. PARTIES AND DATE

This Amendment No. 3 to the Agreement for On-Call Public Outreach and Marketing Services entered into as of _____, 2022, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and ARELLANO ASSOCIATES, a California limited liability company ("Consultant").

2. RECITALS

- 2.1 The Commission and Consultant have entered into an agreement dated December 13, 2017, for the purpose of providing on-call public outreach and marketing services (the "Master Agreement").
- 2.2 The Commission and Consultant have entered into Amendment No. 1 to the Master Agreement, dated August 23, 2018, for the purpose of adding key personnel in providing on-call public outreach and marketing services.
- 2.3 The Commission and Consultant have entered into Amendment No. 2 to the Master Agreement, dated January 6, 2021, for the purpose of extending the term for continued on-call public outreach and marketing services.
- 2.4 The Commission and Consultant now desire to amend the Master Agreement in order to extend the term and to provide additional compensation for continued on-call public outreach and marketing services.

3. TERMS

- 3.1 The term of the Master Agreement shall be amended to provide for an additional term of two (2) years, ending on December 31, 2024.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment No. 4 shall be five Hundred Thousand Dollars (\$500,000). Work shall be performed at the rates set forth in Exhibit "C" of the Master Agreement.
- 3.3 The total not-to-exceed amount of the Master Agreement, as amended by this Amendment No. 3 shall be One Million Five Hundred Thousand Dollars (\$1,500,000).

- 3.4 Except as amended by this Amendment No. 3, all provisions of the Master Agreement, as amended by Amendment Nos. 1 and 2, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment No. 3.
- 3.5 This Amendment No. 3 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.6 This Amendment No. 3 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 2 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 2 for all purposes. This Amendment No. 2 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE
TO
AGREEMENT NO. 17-15-105-03**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 on the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

ARELLANO ASSOCIATES

By: _____
Anne Mayer, Executive Director

By: _____
Signature

Name

Title

APPROVED AS TO FORM:

ATTEST:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County
Transportation Commission

By: _____
Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to the Commission.

Agreement No. 17-15-110-02

**AMENDMENT NO. 2 TO
AGREEMENT FOR ON-CALL PUBLIC OUTREACH
AND MARKETING SERVICES
WITH CELTIS VENTURES, INC.**

1. PARTIES AND DATE

This Amendment No. 2 to the Agreement for On-Call Public Outreach and Marketing Services entered into as of _____, 2022, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and CELTIS VENTURES, INC., a California corporation ("Consultant").

2. RECITALS

- 2.1 The Commission and Consultant have entered into an agreement dated December 28, 2017, for the purpose of providing on-call public outreach and marketing services (the "Master Agreement").
- 2.2 The Commission and the Consultant have entered into an Amendment No. 1 to the Master Agreement, dated December 1, 2020, for the purpose of extending the term for continued on-call public outreach and marketing services.
- 2.3 The Commission and Consultant now desire to amend the Master Agreement in order to extend the term and provide additional compensation for continued on-call public outreach and marketing services.

3. TERMS

- 3.1 The term of the Master Agreement shall be amended to provide for an additional term of two (2) years, ending on December 31, 2024.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment 2 shall be Five Hundred Thousand Dollars (\$500,000). Work shall be performed at the rates set forth in Exhibit "C" of the Master Agreement.
- 3.3 The total not-to-exceed amount of the Master Agreement, as amended by this Amendment No. 2 shall be One Million Five Hundred Thousand Dollars (\$1,500,000)

- 3.4 Except as amended by this Amendment No. 2, all provisions of the Master Agreement, as amended by Amendment No. 1, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment No 1.
- 3.5 This Amendment No. 2 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.6 This Amendment No. 2 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 2 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 2 for all purposes. This Amendment No. 2 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE
TO
AGREEMENT NO. 17-15-110-02**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 on the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

CELTIS VENTURES, INC.

By: _____
Anne Mayer, Executive Director

By: _____
Signature

Name

Title

APPROVED AS TO FORM:

ATTEST:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County
Transportation Commission

By: _____
Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to the Commission.

Agreement No. 17-15-111-03

**AMENDMENT NO. 3 TO
AGREEMENT FOR ON-CALL PUBLIC OUTREACH
AND MARKETING SERVICES
WITH CITYWORKS PEOPLE + PLACES, INC.**

1. PARTIES AND DATE

This Amendment No. 3 to the Agreement for On-Call Public Outreach and Marketing Services entered into as of _____, 2022, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and CITYWORKS PEOPLE + PLACES, INC., a California corporation ("Consultant").

2. RECITALS

- 2.1 The Commission and Consultant have entered into an agreement dated December 13, 2017, for the purpose of providing on-call public outreach and marketing services (the "Master Agreement").
- 2.2 The Commission and Consultant have entered into Amendment No. 1 dated April 10, 2018, for the purpose of revising Exhibit "C" of the Master Agreement.
- 2.3 The Commission and Consultant have entered into Amendment No. 2 dated December 2, 2022, for the purpose of extending the term to December 31, 2022.
- 1.1 The Commission and Consultant now desire to amend the Master Agreement in order to extend the term and provide additional compensation for continued on-call public outreach and marketing services.

3. TERMS

- 3.1 The term of the Master Agreement shall be amended to provide for an additional term of two (2) years, ending on December 31, 2024.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment 2 shall be Five Hundred Thousand Dollars (\$500,000). Work shall be performed at the rates set forth in Exhibit "C" of the Master Agreement.
- 3.3 The total not-to-exceed amount of the Master Agreement, as amended by this Amendment No. 2 shall be One Million Five Hundred Thousand

Dollars (\$1,500,000).

- 3.4 Except as amended by this Amendment No. 3, all provisions of the Master Agreement, as amended by Amendment Nos. 1 and 2, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment No. 3.
- 3.5 This Amendment No. 3 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.6 This Amendment No. 3 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 3 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 3 for all purposes. This Amendment No. 3 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE
TO
AGREEMENT NO. 17-15-111-03**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 3 on the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

**CITYWORKS PEOPLE +
PLACES, INC.**

By: _____
Anne Mayer, Executive Director

By: _____
Signature

Name

Title

APPROVED AS TO FORM:

Attest:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County
Transportation Commission

By: _____
Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to the Commission.

Agreement No. 17-15-114-02

**AMENDMENT NO. 2 TO AGREEMENT
FOR ON-CALL PUBLIC OUTREACH
AND MARKETING SERVICES
WITH MCCORMICK-BUSSE, INC. D/B/A MBI MEDIA**

1. PARTIES AND DATE

This Amendment No. 2 to the Agreement for On-Call Public Outreach and Marketing Services entered into as of _____, 2022 by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and MCCORMICK-BUSSE, INC., a California corporation, D/B/A MBI MEDIA ("Consultant")

2. RECITALS

- 2.1 The Commission and Consultant have entered into an agreement dated December 11, 2017, for the purpose of providing on-call public outreach and marketing services (the "Master Agreement").
- 2.2 The Commission and the Consultant have entered into Amendment No. 1 to the Master Agreement, dated November 24, 2020, for the purpose of extending the term for continued on-call public outreach and marketing services.
- 2.3 The Commission and Consultant now desire to amend the Master Agreement in order to extend the term and provide additional compensation for continued on-call public outreach and marketing services.

3. TERMS

- 3.1 The term of the Master Agreement shall be amended to provide for an additional term of two (2) years, ending on December 31, 2024.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment 2 shall be Five Hundred Thousand Dollars (\$500,000). Work shall be performed at the rates set forth in Exhibit "C" of the Master Agreement.
- 3.3 The total not-to-exceed amount of the Master Agreement, as amended by this Amendment No. 2 shall be One Million Five Hundred Thousand Dollars (\$1,500,000)
- 3.4 Except as amended by this Amendment No. 2, all provisions of the Master Agreement, as amended by Amendment No. 1, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this

Amendment No. 2.

- 3.5 This Amendment No. 2 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.6 This Amendment No. 2 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 2 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 2 for all purposes. This Amendment No. 2 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE
PAGE TO
AGREEMENT NO. 17-15-113-02**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 on the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

**MCCORMICK-BUSSE, INC.
D/B/A MBI MEDIA**

By: _____
Anne Mayer, Executive Director

By: _____
Signature

Name

Title

APPROVED AS TO FORM:

ATTEST:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County
Transportation Commission

By: _____
Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to the Commission.

Agreement No. 17-15-114-02

**AMENDMENT NO. 2 TO
AGREEMENT FOR ON-CALL PUBLIC OUTREACH
AND MARKETING SERVICES
WITH MOORE IACOFANO GOLTSMAN, INC. (MIG)**

1. PARTIES AND DATE

This Amendment No. 2 to the Agreement for On-Call Public Outreach and Marketing Services entered into as of _____, 2022 by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and MOORE IACOFANO GOLTSMAN, INC., a California corporation ("Consultant").

2. RECITALS

- 2.1 The Commission and Consultant have entered into an agreement dated December 11, 2017, for the purpose of providing on-call public outreach and marketing services (the "Master Agreement").
- 2.2 The Commission and the Consultant have entered into an Amendment No. 1 to the Master Agreement, dated October 8, 2021, for the purpose of extending the term for continued on-call public outreach and marketing services.
- 2.3 The Commission and Consultant now desire to amend the Master Agreement in order to extend the term and provide additional compensation for continued on-call public outreach and marketing services.

3. TERMS

- 3.1 The term of the Master Agreement shall be amended to provide for an additional term of two (2) years, ending on December 31, 2024.
- 3.2 The maximum compensation for Services performed pursuant to this Amendment 2 shall be Five Hundred Thousand Dollars (\$500,000). Work shall be performed at the rates set forth in Exhibit "C" of the Master Agreement.
- 3.3 The total not-to-exceed amount of the Master Agreement, as amended by this Amendment No. 2 shall be One Million Five Hundred Thousand Dollars (\$1,500,000)

- 3.4 Except as amended by this Amendment No. 2, all provisions of the Master Agreement, as amended by Amendment No. 1, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment No. 2.
- 3.5 This Amendment No. 2 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.6 This Amendment No. 2 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 2 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 2 for all purposes. This Amendment No. 2 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE
TO
AGREEMENT NO. 17-15-114-02**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 on the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

**MOORE IACOFANO GOLTSMAN,
INC. (MIG)**

By: _____
Anne Mayer, Executive Director

By: _____
Signature

Name

Title

APPROVED AS TO FORM:

ATTEST:

By: _____
Best Best & Krieger LLP
Counsel to the Riverside County
Transportation Commission

By: _____

Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to the Commission.

AGENDA ITEM 7D

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	David Knudsen, External Affairs Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	State and Federal Legislative Update

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file an update on state and federal legislation.

BACKGROUND INFORMATION:

State Update

The California State Legislature convened the 2023-24 Regular Session on December 5, 2022. During the recess, the Assembly Democratic Caucus reached a tentative agreement for Speaker Anthony Rendon (Lakewood) to continue serving as Assembly Speaker through end of the 2022-23 fiscal year, at which point Assemblymember Robert Rivas (Hollister) is expected to assume the leadership role.

All eyes will be on the Governor’s budget proposal which is required to be submitted in early January 2023. In December, Assembly Budget Committee Chair Phil Ting unveiled the Assembly’s “Serving California: Making Government Work Budget Blueprint.” This blueprint is in response to a projected \$25 billion budget deficit by the Legislative Analysis Office (LAO). While the blueprint emphasizes that California is better positioned to weather an economic downturn than it has been in the past, it also adopts some of the cautionary recommendations outlined last month by the LAO, including:

- Shift spending to special funds temporarily when possible and consider low-cost borrowing from special funds, especially if revenue situation worsens;
- Re-evaluate timing of planned one-time expenditures by expediting key infrastructure investments that are ready to go and adjust budget plans to more accurately reflect timing of other such expenditures;
- Consider shifting billions of 2020-23 expenditures to later years as needed;
- Use reserves as intended; and
- Evaluate inflation cost adjustments for state expenditures when appropriate.

The next major step in the budget process is when Governor Newsom releases his proposed budget for the fiscal year beginning July 1, which he is required to do on or before January 10.

In the first few weeks of the legislative session, Legislators have begun introducing new legislation. As anticipated, Assembly Transportation Committee Chair Laura Friedman (Glendale) has introduced two spot bills, Assembly Bills 6 and 7, which continue her efforts last session to align transportation funding and policies with state climate action goals in a prescriptive manner that limits regional transportation agencies. Since these bills are intended to be developed over the next several months, staff is not recommending bill positions at this time. This strategy will leave the door open for RCTC to offer meaningful perspective and suggestions as the bills develop further. In the meantime, Chair Friedman and her staff are quickly working to engage stakeholders on her policy efforts. RCTC will continue to advocate for policies that support its mission and ability to maximize regional mobility.

Regional Roundtable Listening Session with former Los Angeles Mayor Antonio Villaraigosa

In December, staff participated in a regional roundtable listening session on infrastructure investments hosted by California Infrastructure Advisor Antonio Villaraigosa and Priscilla Cheng, Director of External Affairs in the Office of Governor Gavin Newsom. The roundtable session is part of the Newsom Administration's ongoing effort to engage with local leaders to identify regional priority infrastructure projects and maximize access to federal funding related to the Infrastructure Investment and Job Act. The roundtable discussion occurred at the Coachella City Library and included participants representing transportation, water, housing, and education stakeholders. Staff took the opportunity to emphasize the need for project streamlining measures from the state to advance multimodal projects such as Coachella Valley Rail (CV Rail). Following the meeting, staff participated in a vehicle tour with Mayor Villaraigosa, Ms. Cheng, Desert Hot Springs Mayor Scott Matas, and Palm Springs Mayor Pro Tem Grace Garner. Other tour participants included Coachella Valley Association of Governments Transportation Director Jonathan Hoy and Joel Montalvo, City Engineer for the City of Palm Springs. The vehicle tour included a stop at the Palm Spring Amtrak Station, where a discussion about the CV Rail project took place.

Federal Update

FY 2023 Appropriations

As of the writing of this report, negotiations continue to fund the federal government for FY2023. The House and Senate are expected to pass a Continuing Resolution (CR) through December 23 and are currently negotiating the details of an agreed-upon framework between House leadership and the Chair and Ranking Member of the Senate Budget Committee. Should a FY2023 appropriations bill pass, the following Community Project Funding (CPF) requests are expected to be included:

- \$3 million requested by Representative Mark Takano for the city of Riverside's Third Street Grade Separation Project; and

- \$3 million requested by Representative Ken Calvert to fund for the 15 Express Lanes Southern Extension Project.

If no final agreement is reached before the end of this current CR, it is possible that there will be another CR into early next year or even for the entire fiscal year, through September 30, 2023). Each of these two options can impact the federal transportation program and create uncertainty. RCTC staff will continue to monitor.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

AGENDA ITEM 7E

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Bryce Johnston, Senior Capital Projects Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Amendment for Construction Management Services, Materials Testing, and Construction Surveying for the Interstate 215/Placentia Avenue Interchange Project

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve Amendment No. 3 to Agreement No. 18-31-148-00 with Vali Cooper & Associates, Inc. for Interstate 215/Placentia Avenue Interchange construction management services, materials testing, and construction surveying in the amount of \$395,142, for a total not to exceed of \$6,441,043; and
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the amendment, on behalf of the Commission.

BACKGROUND INFORMATION:

The Mid County Parkway project (MCP) has been under development by the Commission since 2002. The purpose of the MCP is to provide a transportation facility that effectively and efficiently accommodates regional west-east movement of people, goods, and services between and through the cities of Perris and San Jacinto.

The Interstate 215/Placentia Avenue Interchange (Project) in the city of Perris is the first segment of the MCP to be constructed, which includes a new interchange at I-215/Placentia Avenue and four lanes on Placentia Avenue between East Frontage Road and Indian Avenue, connecting to the existing two-lane section of Placentia Avenue between Indian Avenue and Perris Boulevard.

At its January 2016 meeting, the Commission authorized staff to proceed with design and right of way (ROW) acquisition for the Project as the first construction contract for MCP notwithstanding the legal challenges. In June 2018, the Commission entered into a settlement agreement to resolve the legal challenges.

DISCUSSION

In January 2019, the Commission awarded a contract to Vali Cooper & Associates, Inc. to perform construction management, materials testing, and construction surveying services for the Project

in the amount of \$5,496,274, plus a contingency amount of \$549,627, and a total not to exceed of \$6,045,901. To address Caltrans' pre-award audit findings, the contract was reduced by \$35,407. This resulted in the execution of the contract with Vali Cooper & Associates, Inc. in the amount of \$5,460,867, plus a contingency amount of \$585,034.00, and a total not to exceed of \$6,045,901.

The Project's construction management (CM) contract was procured and awarded prior to the construction contract to allow the CM to perform a constructability review of the design and to prepare for the start of construction. The CM contract was originally awarded with the assumption of a 400-working day construction contract duration. During the bidding process the construction contract duration was extended to 500-working days due to comments and concerns raised by the bidders. This resulted in an additional 100-working days for the CM contract, however funding for the additional working days were not included in the approved contract. In an effort to minimize the need for additional funding, the additional cost was addressed with existing contract contingency. The cost incurred by the Commission to extend CM staff for the additional 100 days was \$552,204.

It is projected that additional funds will be needed to replenish the CM contract contingency to ensure adequate budget remains to address anticipated construction contract change orders and to close out the project. The change orders on this project have been typical for a project of this type. Had the contract not been extended by 100-working days as requested by bidders, all CM work would have been completed well within the original contingency. Based on a review of the approved and potential contract change orders it is estimated that an additional \$395,142 in contingency is needed for a total not to exceed amount of \$6,441,043.

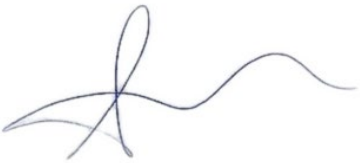
FISCAL IMPACT:

The Vali Cooper & Associates, Inc. Agreement, and subsequent amendments in the amount of \$6,441,043.00 will be funded with the following fund sources:

- Measure A Western County (WC) New Corridors Funds \$5,948,072
- SB1 Local Partnership \$492,971

Funding Sources and Budget Expenditure Schedule

Funding Source	Actual To- Date	FY 22/23	FY 23/24	Total
Measure A WC New Corridors	\$5,455,101	\$475,010	\$17,961	\$5,948,072
SB1 Local Partnership		\$475,010	\$17,961	\$492,971
Forecast Total	\$5,455,101	\$950,020	\$35,922	\$6,441,043
Original Authorization				\$6,045,901
Required Additional Fund				\$395,142

Financial Information					
In Fiscal Year Budget:	Yes	Year:	FY 2022/2023 FY 2023/2024+	Amount:	\$359,220 \$35,922
Source of Funds:	Measure A WC New Corridors SB1 Local Partnership			Budget Adjustment:	No
GL/Project Accounting No.:		002317 81302 00000 0000 261 31 81301			
Fiscal Procedures Approved:				Date:	12/16/2022

Attachment: Draft Agreement No. 18-31-148-03, Amendment No. 3 with Vali Cooper & Associates, Inc.

**AMENDMENT NO. 3 TO AGREEMENT
FOR CONSTRUCTION MANAGEMENT SERVICES, MATERIALS
TESTING, AND CONSTRUCTION SURVEYING FOR THE
INTERSTATE 215/PLACENTIA AVENUE INTERCHANGE
PROJECT WITH VALI COOPER & ASSOCIATES, INC.**

1. PARTIES AND DATE

This Amendment No. 3 to the Agreement for construction management services, materials testing, and construction surveying is made and entered into as of this ____ day of _____, 2023, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("Commission") and VALI COOPER & ASSOCIATES, INC. ("Consultant"), a California corporation.

2. RECITALS

- 2.1 The Commission and Consultant have entered into an agreement dated May 10, 2019, for the purpose of providing the construction management services, materials testing, and construction surveying for the Interstate 215/Placentia Avenue Interchange Project (the "Master Agreement").
- 2.2 The Commission and Consultant entered into Amendment No. 1 to the Master Agreement, dated August 6, 2020, in order to provide additional compensation for additional services for the Interstate 215/Placentia Avenue Interchange Project.
- 2.3 The Commission and Consultant entered into Amendment No. 2 to the Master Agreement, dated August 3, 2022, in order to provide additional compensation for additional 100 working days of construction duration, one-year plant establishment period and environmental reviews.
- 2.4 The parties now desire to amend the Master Agreement in order to provide additional compensation for additional and extended services required for the Interstate 215/Placentia Avenue Interchange Project, as described in more detail in the attached Exhibit "A".

3. TERMS

- 3.1 The Services, as that term is defined in the Master Agreement, shall be amended to include additional services required for completion of the Project, as further set forth in Exhibit "A" attached to this Amendment No. 3 and incorporated herein by reference.

- 3.2 The maximum compensation for Services performed pursuant to this Amendment No. 3 shall be Three Hundred Fifty-Nine Thousand, Two Hundred Twenty Dollars (\$359,220), as further detailed in Exhibit "B" attached to this Amendment No. 3 and incorporated herein by reference.
- 3.3 The total not-to-exceed amount of the Master Agreement, as amended by this Amendment No. 3, shall be Six Million, Four Hundred Five Thousand, One Hundred Twenty-One Dollars (\$6,405,121).
- 3.4 Except as amended by this Amendment No. 3, all provisions of the Master Agreement, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment.
- 3.5 This Amendment No. 3 shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.6 This Amendment No. 3 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 3 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 3 for all purposes. This Amendment No. 3 may be signed using an electronic signature.

[Signatures on following page]

SIGNATURE PAGE
TO
AGREEMENT NO. 18-31-148-03

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

VALI COOPER & ASSOCIATES

By: _____
Anne Mayer, Executive Director

By: _____
Signature

Name

Title

APPROVED AS TO FORM

ATTEST:

By: _____
Best & Krieger LLP
Counsel to Riverside County
Transportation Commission

By: _____
Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to RCTC.

EXHIBIT "A"
AMENDMENT NO. 3
SCOPE OF SERVICES

The project was anticipated to be completed and open to traffic at the beginning of September 2022. The project is between 2 adjacent projects that have overlapping work limits. The County of Riverside has a development project west of Harvill Avenue and the City of Perris is widening Placentia Avenue to the east of Indian Avenue. The cooperation and coordination of the projects has caused delays. In addition, signalization and lighting were completed piecemeal as SCE energized portions of the project over a longer than expected timeframe. Due to these inefficiencies, the construction duration has extended by approximately 50 working days. Thus an additional \$359,220 and a total not to exceed \$6,405,121 is being requested.

[attached behind this page]

Exhibit "A"

EXHIBIT "B"
AMENDMENT NO. 3
COMPENSATION

[attached behind this page]

Exhibit "B"

AGENDA ITEM 7F

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Eric DeHate, Transit Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Amendment to City of Riverside's Fiscal Year 2022/23 Short Range Transit Plan

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve the city of Riverside's (City) request for an allocation of \$541,995 in Local Transportation Funds (LTF) to cover a shortfall of operating expenses from Fiscal Years 2019/20 and 2020/21 that were submitted for federal stimulus reimbursement but were deemed ineligible; and
- 2) Approve the City's amended FY 2022/23 Short Range Transit Plan (S RTP) to reflect the LTF increase in the amount of \$541,995 for prior year operating expenses.

BACKGROUND INFORMATION:

With the passage of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, Riverside County transit operators received approximately \$122 million in CARES Act funding. This funding assisted operators from FY 2019/20 to FY 2021/22. For FY 2020/21, CARES Act funding through the Federal Transit Administration (FTA) made up the majority share of operating funding for Riverside County transit operators.


The City received \$6.6 million of CARES Act funding for its transit services, of which approximately \$1.4 million was programmed in FY 2019/20, approximately \$5.2 million was programmed in FY 2020/21, and the remaining amount and cost savings from prior fiscal years was programmed in FY 2021/22. As part of the City's recently completed FTA Triennial Review, it was determined that costs from the City's cost allocation plan were ineligible for CARES Act funds and that the City was required to return those funds to the FTA. This included \$88,298 of CARES Act funds from FY 2019/20 and \$453,697 of CARES Act funds from FY 2020/21. FTA allowed the City to use the returned CARES Act funds in FY 2021/22 for eligible expenses. Thus, the City was able to use all \$6.6 million of CARES Act funds it was provided. However, the movement of CARES Act revenue from FYs 2019/20 and 2020/21 left the City a shortfall no longer covered by the federal stimulus funds.

City staff reached out to Commission staff and submitted an amendment (Attachment 1) to its FY 2022/23 S RTP and is requesting an increase of \$541,995 in LTF to fully cover the shortfall in

prior year operating expenses. Sufficient LTF funds are available, therefore, staff recommends that the Commission approve an allocation of \$541,995 from LTF revenue to the City and approve the City's amended FY 2022/23 SRTP to reflect this increase.

FISCAL IMPACT:

There is no additional fiscal impact for the additional \$541,995 in LTF for the FY 2022/23 budget as LTF adjustments for transit operators were anticipated and budgeted.

Financial Information					
In Fiscal Year Budget:	Yes	Year:	FY 2022/23	Amount:	\$541,995
Source of Funds:	LTF Western Riverside County Bus		Budget Adjustment:		No
GLA No.:	002210 86101 00000 0000 601 62 86101				
Fiscal Procedures Approved:				Date:	12/08/2022

Attachment: City of Riverside's FY 2022/23 SRTP Amendment 1 Request



**Parks, Recreation and Community Services Department
Special Transportation Division**

City of Arts & Innovation

October 4, 2022

Ms. Anne Mayer
Executive Director
Riverside County Transportation Commission
4080 Lemon Street, 3rd Floor
Riverside, CA 92502

Dear Ms. Mayer:

This letter is to respectfully request from the Riverside County Transportation Commission (RCTC) consideration of the City of Riverside's request for additional LTF funds for Fiscal Year (FY) 2022/23 to cover prior year expenses not covered by the CARES Act.

As a result of an FTA Triennial Review, the City of Riverside charged the annual Cost Allocation Plan (CAP) charges for the Special Transportation Division to the CARES Act without getting the CAP federally approved prior to. The total amount of CAP charged to the CARES Act was \$88,298 for FY19/20 and \$453,697 for FY 20/21. Additionally, The City of Riverside has \$4,072,088 of unearned revenue as of FY 2021/22 from RCTC.

The City of Riverside is requesting that upon approval of additional LTF funds, the City be allowed to utilize this existing deferred revenue to pay for the expenses not covered by the CARES Act in the amount of \$541,994 and return the difference back to RCTC. The expected amount to be returned to RCTC is \$3,530,094. Below is a table that shows the City's requested increase as well as the Unearned Revenue due back to RCTC.

In summary, the City respectfully request an increase of \$541,994 in LTF funds for FY2022/23 to cover the CAP cost of \$88,298 for FY19/20 and \$453,697 for FY20/21. Furthermore, the City is requesting the ability to utilize the existing deferred revenue owed to RCTC to pay for those expenses and the difference returned to RCTC as noted in the table below.

	Fiscal Year 21/22	
	LTF Funds	CARES Act Funds
Revenue received in FY 2022	4,239,596	1,240,076
Total prior year expenses not cover by CARES Act	-	541,994
Operational expenses net of additional revenues	(1,101,784)	(1,782,070)
FY 2022 unearned revenue from RCTC	3,137,812	0
Prior years unearned revenue from RCTC	934,276	
Total unearned revenue from RCTC as of 6/30/2022	4,072,088	
The City Requests LTF funds to be increased to cover prior year expenses not covered by CARES Act.	541,994	
Unearned LTF funds due back to RCTC	3,530,094	
<i>FY 19/20 CAP Costs</i>	88,298	
<i>FY 20/21 CAP Costs</i>	453,697	
<i>Total CAP Costs not allowed</i>	541,994	

Sincerely,



Ron Profeta
Transit Manager

Cc: Eric DeHate, Transit Manager



Table 4.0 - Summary of Funding Requests - FY 2022/23

City of Riverside

Original

Operating																
Project	Total Amount of Funds	5307 RS	FARE	LTF	STA PUC99313	STA PUC99314										
Capitalized Preventative Maintenance FY2022-23	\$400,000	\$320,000			\$48,166	\$31,834										
Operating FY2022-23	\$4,430,332	\$55,000	\$120,000	\$4,255,332												
Sub-total Operating	\$4,830,332	\$375,000	\$120,000	\$4,255,332	\$48,166	\$31,834										

Capital																
Project	Total Amount of Funds	5307 RS	FARE	LTF	STA PUC99313	STA PUC99314										
No Capital Projects																
Total Operating & Capital	\$4,830,332	\$375,000	\$120,000	\$4,255,332	\$48,166	\$31,834										

FY 2022/23 Projected Funding Details																
5307 RS	\$375,000															
FARE	\$120,000															
LTF	\$4,255,332															
STA PUC99313	\$48,166															
STA PUC99314	\$31,834															
Total Estimated Operating Funding Request	\$4,830,332															
Total Funding Request	\$4,830,332															



Table 4.0 - Summary of Funding Requests - FY 2022/23

City of Riverside
Amendment # 1

Operating															
Project	Total Amount of Funds	5307 RS	FARE	LTF	STA PUC99313	STA PUC99314									
Capitalized Preventative Maintenance FY2022-23	\$400,000	\$320,000			\$48,166	\$31,834									
Operating FY2019-20	\$88,298			\$88,298											
Operating FY2020-21	\$453,697			\$453,697											
Operating FY2022-23	\$4,430,332	\$55,000	\$120,000	\$4,255,332											
Sub-total Operating	\$5,372,327	\$375,000	\$120,000	\$4,797,327	\$48,166	\$31,834									

Capital															
Project	Total Amount of Funds	5307 RS	FARE	LTF	STA PUC99313	STA PUC99314									
No Capital Projects															
Total Operating & Capital	\$5,372,327	\$375,000	\$120,000	\$4,797,327	\$48,166	\$31,834									

FY 2022/23 Projected Funding Details		
5307 RS	\$375,000	
FARE	\$120,000	
LTF	\$4,797,327	
STA PUC99313	\$48,166	
STA PUC99314	\$31,834	
Total Estimated Operating Funding Request	\$5,372,327	
Total Funding Request	\$5,372,327	

AGENDA ITEM 7G

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Hanan Sawalha, Management Analyst Brian Cunanan, Commuter & Motorist Assistance Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Agreements for Freeway Service Patrol Tow Truck Service

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Award Agreement No. 23-45-014-00 to Royal Coaches Auto Body and Towing (Royal Coaches) for Freeway Service Patrol (FSP) tow truck services on Interstate 215, Beat No. 20, for a five-year term, in the amount of \$2,305,460, plus a contingency amount of \$115,280 for a total amount not to exceed \$2,420,740;
- 2) Approve Agreement No. 20-45-030-01, Amendment No. 1 to Agreement No. 20-45-030-00 with Royal Coaches Auto Body and Towing for continued FSP services on Beat 25, additional regular FSP and construction FSP covering Beats 1 & 2 in Corona for an additional \$386,900, and a total amount not to exceed \$2,012,373;
- 3) Approve Agreement No. 18-45-132-04, Amendment No. 4 to Agreement No. 18-45-132-00 with Coastal Pride Towing (Coastal) for continued FSP services on Beats 20, 34, and 35, and additional construction FSP service for the I-10 Tune Up project, for an additional \$285,500, and a total amount not to exceed \$3,061,104;
- 4) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of the Commission; and
- 5) Authorize the Executive Director, or designee, to approve the use of the contingency amount as may be required for these services.

BACKGROUND INFORMATION:

In 1986, the Commission established itself as the Riverside County Service Authority for Freeway Emergencies (RC SAFE) after the enactment of SB 1199 in 1985. The purpose of the formation of SAFEs in California was to provide call box services and, with excess funds, provide additional motorist aid services. Funding for RC SAFE is derived from a one dollar per vehicle registration fee on vehicles registered in Riverside County. Initially, these funds were used only for the call box program. As additional motorist aid services were developed, SAFE funds were also used to provide FSP and traveler information services as part of a comprehensive motorist aid system in Riverside County.

In 1990, Proposition C was passed to fund transportation improvements and to help reduce traffic congestion in California. From this, the FSP program was created by the California Department of Transportation (Caltrans), which developed the corresponding Local Funding Allocation Plan to distribute funds to participating jurisdictions. In addition to funding received from Caltrans, agencies are required to contribute a 25 percent local match. For the Commission, SAFE revenues are used to meet this match requirement.

The Commission, acting in its capacity as the RC SAFE, is the principal agency in Riverside County, in partnership with Caltrans and the California Highway Patrol (CHP), managing the FSP program. The purpose of the FSP program is to provide a continuously roving tow services patrol along designated freeway segments (referred to as beats) to relieve freeway congestion and facilitate the rapid removal of disabled vehicles and those involved in minor accidents on local freeways. Contracts to provide FSP tow service are competitively bid as needed for each service area. Currently, the Commission contracts with three tow truck operators to provide service on a total of twelve beats Monday through Friday during the peak commute hours, 5:30 a.m. to 8:30 a.m. and 2:30 p.m. (12:30 p.m. on Fridays) to 6:30 p.m. In addition, select beats also have mid-day and weekend service. The Commission contracts with one tow truck operator for Express Lane FSP services on the SR-91 and I-15 facilities; a seven-day a week operation. In Fiscal Year 2021/22, FSP performed a total of 62,020 assists, including 54,217 regular general purpose lane assists, 6,948 construction assists, and 1,631 express lane assists.

DISCUSSION:

Staff sought a competitive solution to award a tow contract to a qualified firm to cover FSP service area on I-215.

Contract FSP Service Area	Description of Service Area	Number of Tow Trucks
Beat 20	I-215 from SR-74/W 4th St. to Murrieta Hot Springs	2 primary (+1 backup truck)



Procurement Process

Outreach was conducted prior to the release of the RFP. Flyers offering one-on-one information sessions with staff from RCTC and CHP were distributed to over 150 tow operators by mail and email. RFP No. 23-45-014-00 was released on October 6, 2022. The RFP was posted on the Commission's PlanetBids website, which is accessible through the Commission's website. Utilizing PlanetBids, emails were sent to 49 firms, 21 of which are located in Riverside County. Through the PlanetBids site, nine firms downloaded the RFP; two of these firms have facilities in Riverside County. A pre-proposal conference was held on October 13, 2022. Staff responded to all questions submitted by potential proposers prior to the October 25, 2022, clarification deadline date. Two firms – Royal Coaches (Riverside) and Pepe's (Moreno Valley) – submitted responsive proposals for the Beat 20 contract service area prior to the 2:00 p.m. submittal deadline on November 10, 2022. Utilizing the evaluation criteria set forth in the RFP, the proposals were evaluated and scored by an evaluation committee comprised of the CHP Border Division, San Bernardino County Transportation Authority, and Commission staff.

The evaluation criteria included qualifications of the firm, staffing/project organization, work plan, and price. Non-price factors accounted for 70 percent of the total score and price (e.g. tow rates proposed) accounted for the remaining 30 percent of the score.

A dynamic tow rate approach that adjusts with average diesel fuel prices reported by the United States Energy Information Administration (EIA) was applied for price. This dynamic tow rate helps alleviate risks on the operator when fuel rates increase and also adjusts downwards to more favorable rates for the Commission when fuel prices are lower. As such, the RFP included a price proposal template asking bidders to submit rates that correspond to ranges of average diesel fuel prices, as shown below:

Price Proposal Table:	
Rate Level #	Average Diesel Fuel Cost Per Gallon (per EIA)
1	\$0.01 - \$2.99
2	\$3.00 - \$3.99
3	\$4.00 - \$4.99
4	\$5.00 - \$5.99
5	\$6.00 - \$6.99
6	\$7.00 - \$7.99
7	\$8.00 - \$8.99
8	\$9.00 - \$9.99
9	\$10.00+

The average of the proposed hourly rates, across the nine rate levels, was used to determine the bidders' cost score.

Bids for Beat 20 service area were evaluated independently by the evaluation committee. Based on the evaluation committee's assessment of the written proposals and pursuant to the terms of the RFP, the evaluation committee shortlisted and invited two firms, Royal Coaches and Pepe's, to the interview phase of the evaluation and selection process for the Beat 20 service area contract. In-person interviews were conducted on December 5, 2022.

Accordingly, the evaluation committee provided final scoring based on a comprehensive evaluation of each written proposal and interview. Based on the evaluation committee's assessment, the evaluation committee recommends contract award to Royal Coaches for the Beat 20 service area, as this firm submitted a responsive and responsible proposal and earned the highest total evaluation score. The contract award is as follows:

- Royal Coaches Auto Body and Towing: Interstate 215, Beat No. 20 service area for a five-year term, in the amount of \$2,305,460, plus a contingency amount of \$115,280, for a total amount not to exceed \$2,420,740, as this firm earned the highest total evaluation score

The proposed five-year contract rates and evaluation rankings for all firms are presented in the following table:

Interstate 215 – Beat 20		
Firm	Average Tow Rates: Years 1-2/ Year 3-4/ Year 5	Evaluation Ranking
Royal Coaches Auto Body and Towing	\$116.54/ \$120.61/ \$124.83	1
Pepe's Towing	\$129.60/ \$139.96/ \$151.16	2

The rates above reflect the average rate across the nine rate levels quoted. The actual hourly tow rate level applied (1 through 9) will be adjusted for each quarter based on the previous quarter's average cost of diesel fuel as reported by the EIA, California No 2 Diesel Retail Prices (dollars per gallon).

Amendments to Existing Contracts

Coastal and Royal Coaches have provided incremental FSP service for construction areas and/or have helped fill in service gaps when needed (e.g. trucks could not be staffed). Additional funding is needed for contracts with Coastal and Royal Coaches for continued service.

Coastal Pride

Coastal provided construction FSP services supporting the I-10 Tune Up project in eastern County from March 2022 through September 2022 and have provided regular FSP service in South County along I-15 and I-215, under Agreement No. 18-45-132-00 since 2018. Upon recent review of this contract balance, it was determined that the original authorized contract amount was underestimated. Therefore, staff is recommending \$285,500 be added to Coastal's contract in order to continue reimbursing them for FSP services through their contract term. There is sufficient project budget in Fiscal Year 2022/23 for FSP services to accommodate this addition to the contract balance, therefore, a budget adjustment for FY 2022/23 will not be required.

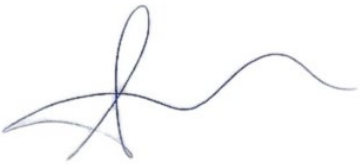
Royal Coaches

On May 9, 2018, Coastal Towing was awarded Agreement No. 18-45-131-00 for FSP services on SR-91, Beat Nos. 1 and 2 service areas. However, they encountered staffing issues that rendered them unable to provide consistent coverage of the four tow trucks required for those service areas. The Commission needed to release a new RFP to seek competitive bids for Beats 1 and 2. In the meantime, in order to avoid disruption of FSP services along SR-91, Commission staff reached out to other FSP contracted tow companies to assist with providing coverage for Beat Nos. 1 and 2.

Royal Coaches, who was providing FSP services along I-15, Beat No. 25 service area under Agreement No. 20-45-030-00, confirmed willingness to provide FSP coverage along SR-91, Beat Nos. 1 and 2 service areas. Royal Coaches began providing coverage in September 2021 for regular FSP and has provided construction FSP support for SR-91 closures. RFP No. 22-45-073-00 for Beat Nos. 1 and 2 was released on March 18, 2022, and subsequently awarded to Royal Coaches on June 8, 2022, with services to begin under the new contract in November 2022. However, for the months of September 2021 – October 2022, Royal Coaches provided coverage under contract authority of Agreement No. 20-45-030-00, leaving that contract with a shortfall balance of \$386,900. As such, staff is seeking Commission approval to amend Agreement No. 20-45-030-00 to add this amount to the contract authority. There is no impact to the project budget as the amount was already budgeted in FY 2022/23 for the original agreement with Coastal.

FISCAL IMPACT:

Sufficient funding, consisting of Caltrans and SAFE funds, for towing services will be included in future fiscal years' budgets for the Royal Coaches amendment and the newly awarded contract with Royal Coaches, which does not start till FY 2023/24. The funding amount for the Coastal amendment was already included in the project budget for FY 2022/23, therefore, a project budget adjustment will not be required.

Financial Information					
In Fiscal Year Budget:	Yes	Year:	FY 2022/23 FY 2023/24+	Amount:	\$285,500 \$2,807,640
Source of Funds:	State of California, SAFE funds			Budget Adjustment:	No
GL/Project Accounting No.:	002173 81014 00000 0121 201 45 81002				
Fiscal Procedures Approved:				Date:	12/16/2022

Attachments:

- 1) Draft FSP Agreement No. 23-45-014-00 with Royal Coaches Auto Body and Towing
- 2) Draft FSP Amendment No. 20-45-030-01 with Royal Coaches Auto Body and Towing
- 3) Draft FSP Amendment No. 18-45-132-04 with Coastal Pride Towing
- 4) Map of FSP Service Areas

MODEL CONTRACT

Agreement No. 23-45-014-00

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION, ACTING AS THE RIVERSIDE
COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES,
FOR
FREEWAY SERVICE PATROL FOR BEAT # 20 WITHIN RIVERSIDE COUNTY
WITH ROYAL COACHES AUTO BODY & TOWING**

1. PARTIES AND DATE.

1.1 This Agreement is made and entered into as of _____ day of _____, 2022, by and between the RIVERSIDE COUNTY TRANSPORTATION COMMISSION ("COMMISSION") acting as the RIVERSIDE COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES ("SAFE") and ROYAL COACHES AUTO BODY & TOWING, a CORPORATION (referred to herein as "CONTRACTOR"). SAFE and CONTRACTOR are sometimes individually referred to herein as "Party" and collectively as "Parties".

1.2 The California Highway Patrol herein referred to as "CHP" and California Department of Transportation, herein referred to as "Caltrans" are hereby expressly designated as third-party beneficiaries of CONTRACTOR's performance under this Agreement.

2. RECITALS.

2.1 **WHEREAS**, COMMISSION is a California County Transportation Commission existing under the authority of Section 130050 et seq. of the California Public Utilities Code;

2.2 **WHEREAS**, COMMISSION is authorized, pursuant to Section 2550 et seq. of the California Streets and Highways Code, to act as SAFE for purposes of providing a motorist aid system, including provision of freeway service patrols;

2.3 **WHEREAS**, SAFE requires the services of a CONTRACTOR to provide the freeway service patrol professional services as described in the Scope of Services;

2.4 **WHEREAS**, SAFE has determined that CONTRACTOR is best qualified to perform the required services;

2.5 **WHEREAS**, the CONTRACTOR is able and willing to perform the required services under the terms and conditions of this Contract;

2.6 **WHEREAS**, COMMISSION is the short range transportation planning agency for Riverside County, and programs federal, state, and local funds.

COMMISSION has entered into a Memorandum of Understanding with Caltrans and CHP to fund peak period freeway service patrols on selected freeway segments in Riverside County; and

- 2.7 **WHEREAS**, Section 21718 (a) of the California Vehicle Code specifically authorized CHP to be responsible for freeway service patrols stopping on freeways for the purpose of rapid removal of impediments to traffic. Article 3, Section 91, of the Streets and Highways Code, states that Caltrans has responsibility to improve and maintain the state highways. Caltrans also has the responsibility for traffic management and removing impediments from the highways.

NOW, THEREFORE, for the consideration hereinafter stated, SAFE and CONTRACTOR agree as follows:

3. TERMS.

3.1 General Scope of Services. The purpose of the Freeway Service Patrol ("FSP") program is to provide for the rapid removal of disabled vehicles and vehicles involved in minor accidents from the freeway. Contractor promises and agrees to furnish to SAFE all labor materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately provide the FSP services ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state, and federal laws, rules and regulations, and the SOP manual (as defined below).

3.1.1. Contract Oversight. Caltrans and CHP will jointly oversee the Services. Both agencies will have responsibility for overseeing Service performance and ensuring that the CONTRACTOR abides by the terms of this Contract. CHP is responsible for dispatch services to incident locations within the CONTRACTOR's patrol limits. The dispatching will be done in accordance with this Contract. A Standard Operating Procedures ("SOP") manual will be given to the CONTRACTOR explaining the types of incidents to which his/her operators may be dispatched.

3.1.2 Beat Descriptions. The FSP will operate on selected freeway segments referred to herein as "beats". Each beat has specific turnaround locations and designated drop locations identified by the CHP. Exhibit "A" shows the specific limits, number of tow trucks, number of back-up trucks and hours of operation, and holidays for the CONTRACTOR's specific beat. SAFE reserves the right to add or delete holidays to the work schedule, provided that SAFE provides CONTRACTOR seven (7) days advanced notice of such addition or deletion. Travel time to and from the beat will be at the expense of the CONTRACTOR.

3.1.3 Change Orders. At any time during the term of this Contract, SAFE reserves the right to adjust beat specifications to better accommodate demand for the Services,

or availability of funding, at no cost to SAFE. Adjustments may include reduction in the hours of Services. SAFE may direct such adjustments during the course of this Contract through written change orders, signed by SAFE, setting forth any changes to Exhibit "A". Changes may include a change of the specified beat(s) to other beats that SAFE determines better serve the needs of SAFE, as well as changes to schedules and hours for the beats set forth in Exhibit "A". If warranted, as determined in SAFE's sole discretion, and during the hours of operation of the Services, the CONTRACTOR may be requested to temporarily reassign his/her FSP operators/trucks to locations outside the assigned beat. Such reassignments shall be at no cost to SAFE.

3.1.4. The SOP Manual. To promote a safe work environment and for the maintenance of professionalism, the most current version of the SOP manual shall, at all times, be followed by the CONTRACTOR and its vehicle operators. The SOP manual, as such manual may from time to time be amended, is incorporated into this Contract by reference. CONTRACTOR shall be notified and provided with a copy of any changes to the SOP manual. Drivers found not to be in compliance with FSP procedures, as set forth in the SOP manual or this Contract, may be suspended or terminated from the FSP program and the CONTRACTOR may be fined three (3) times the hourly Contract rate in one (1) minute increments until a replacement vehicle is provided (Driver and Truck must return to beat compliant with all FSP requirements), or fined for the entire shift at three (3) times the hourly rate at the discretion of the FSP Field Supervisors.

3.2 Equipment Requirements. CONTRACTOR shall comply with all equipment requirements outlined in the attached Exhibit "A".

3.3 Commencement of Services. The CONTRACTOR shall commence work upon receipt of a written Notice to Proceed from SAFE.

3.4 Term. The term of this Contract shall be for a period of five (5) years, from **August 30, 2023 to August 31, 2028** unless earlier terminated as provided herein. SAFE shall also have the right to renew this Contract from one month up to a one (1) year term after the initial term by providing notice as provided below. SAFE must provide written notice to CONTRACTOR no less than ninety (90) days prior to the end of the applicable term, indicating its renewal of the Contract. CONTRACTOR shall complete the Services within the term of this Contract, and shall meet any other established schedules and deadlines. All applicable indemnification provisions of this Contract shall remain in effect following the termination of this Contract. The rates shall be as set forth in Exhibit "C" attached hereto and incorporated herein by reference.

3.5 SAFE's Representative. SAFE hereby designates the SAFE Executive Director or his or her designee, to act as its Representative for the performance of this Contract ("SAFE's Representative"). SAFE's Representative shall have the authority to act on behalf of SAFE for all purposes under this Contract. SAFE's Representative shall also review and give approval, as needed, to the details of CONTRACTOR's work as it progresses. CONTRACTOR shall not accept direction or orders from any person other than the SAFE's Representative or his or her designee.

3.6 CONTRACTOR'S Representative. CONTRACTOR hereby designates **WILLIAM SALAZAR, PRESIDENT & CEO**, to act as its representative for the performance of this Contract ("CONTRACTOR's Representative"). CONTRACTOR's Representative shall have full authority to act on behalf of CONTRACTOR for all purposes under this Contract. The CONTRACTOR's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Contract. CONTRACTOR shall work closely and cooperate fully with SAFE's Representative and any other agencies which may have jurisdiction over or an interest in the Services. CONTRACTOR's Representative shall be available to the SAFE staff at all reasonable times. Any substitution in CONTRACTOR's Representative shall be approved in writing by SAFE's Representative.

3.7 Substitution of Key Personnel. CONTRACTOR has represented to SAFE that certain key personnel will perform and coordinate the Services under this Contract. Should one or more of such personnel become unavailable, CONTRACTOR may substitute other personnel of at least equal competence upon written approval by SAFE's Representative. In the event that SAFE's Representative and CONTRACTOR cannot agree as to the substitution of the key personnel, SAFE shall be entitled to terminate this Contract for cause, pursuant to the provisions of Section 3.15. The key personnel for performance of this Contract are: **WILLIAM SALAZAR, PRESIDENT & CEO.**

3.7.1 Availability of FSP Manager. Except in the case of unpreventable circumstances, the FSP Manager must be available at the CONTRACTOR's office for at least 50% of each Work Day to address time sensitive issues related to this Contract or the Services, including, but not limited to, FSP administrative responsibilities; SAFE, CHP, and Caltrans requests; driver matters; and truck maintenance issues. CONTRACTOR shall, within 24 hours, notify SAFE of each circumstance causing the FSP Manager not to be available as required herein. As used in this section, the term "Work Day" shall mean and refer to any day that FSP service is provided, during those hours of operation for Construction FSP as identified on the attached Exhibit "A-1".

3.8 Review of Work and Deliverables. All reports, working papers, and similar work products prepared for submission in the course of providing Services under this Contract may be required to be submitted to SAFE's Representative in draft form, and SAFE's Representative may require revisions of such drafts prior to formal submission and approval. In the event that SAFE's Representative, in his or her sole discretion, determines the formally submitted work product to be inadequate, SAFE's Representative may require CONTRACTOR to revise and resubmit the work at no cost to SAFE. Upon determination by SAFE that CONTRACTOR has satisfactorily completed the Services required under this Contract and within the term set forth in Section 3.4, SAFE shall give CONTRACTOR a written Notice of Final Completion. Upon receipt of such notice, CONTRACTOR shall incur no further costs hereunder, unless otherwise specified in the Notice of Completion. CONTRACTOR may request issuance of a Notice of Final Completion when, in its opinion, it has satisfactorily completed all Services required under the provisions of this Contract.

3.9 Appearance at Hearings. If and when required by SAFE, CONTRACTOR shall render assistance at public hearings or other meetings related to the performance of the Services.

3.10 Standard of Care: Licenses. CONTRACTOR represents and maintains that it is skilled in the professional calling necessary to perform all Services, duties and obligations required by this Contract. CONTRACTOR shall perform the Services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. CONTRACTOR warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. CONTRACTOR further represents and warrants to SAFE that its employees and subcontractors have all licenses, permits, qualifications (including medical certification) and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Contract. CONTRACTOR shall perform, at its own cost and expense and without reimbursement from SAFE, any services necessary to correct errors or omissions which are caused by the CONTRACTOR's failure to comply with the standard of care provided for herein, and shall be fully responsible to SAFE for all damages and other liabilities provided for in the indemnification provisions of this Contract arising from the CONTRACTOR's errors and omissions. Any employee of CONTRACTOR or its subcontractors who is determined by SAFE to be uncooperative, incompetent, a threat to the adequate or timely completion of the Services, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to SAFE, shall be promptly removed from performing the Services by the CONTRACTOR and shall not be re-employed to perform any of the Services.

3.11 Opportunity to Cure. SAFE may provide CONTRACTOR an opportunity to cure, at CONTRACTOR's expense, all errors and omissions which may be disclosed during performance of the Services. Should CONTRACTOR fail to make such correction in a timely manner, such correction may be made by SAFE, and the cost thereof charged to CONTRACTOR.

3.12 Inspection of Work. CONTRACTOR shall allow SAFE's Representative to inspect or review CONTRACTOR's performance of Services in progress at any time. SAFE/Caltrans/CHP also reserves the right to audit all paperwork demonstrating that CONTRACTOR participates in an employee alcohol/drug-testing program and the DMV Pull Notice Program.

3.13 Laws and Regulations. CONTRACTOR shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services, including all Cal/OSHA requirements, and shall give all notices required by law. CONTRACTOR shall be solely liable for all violations of such laws and regulations in connection with Services. If the CONTRACTOR performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to SAFE, CONTRACTOR shall be solely responsible for all costs arising therefrom. CONTRACTOR shall defend, indemnify and hold SAFE, their officials, directors, officers, employees and agents free

and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.14 Damage Complaints. Upon receiving a damage complaint from a motorist assisted by the CONTRACTOR, that the CONTRACTOR damaged their vehicle while lending assistance, the CONTRACTOR shall notify CHP immediately regarding the nature of the damage complaint and its disposition. The CONTRACTOR shall reply to the motorist by telephone within twenty-four (24) hours of receiving the damage complaint notification. If necessary, the CONTRACTOR shall send either his or her authorized representative or his or her insurance company representative to inspect the vehicle and complete an incident report within forty-eight (48) hours after receiving the damage complaint. If the investigation shows that damage to the vehicle could have been caused by the CONTRACTOR, the CONTRACTOR shall negotiate in good faith to try and resolve the issue and shall report to the CHP the result of the negotiations. All complaints shall be resolved within a reasonable period of time after being received.

3.14.1 Complaint Review Committee. The FSP Technical Advisory Committee ("FSP TAC") is composed of voting members from CHP, SAFE and Caltrans. Voting members of the FSP TAC are hereby designated as the members of the Damage Complaint Review Committee ("DCRC"). If the DCRC finds that justifiable complaints are not resolved within a reasonable time frame, it can recommend that payment to the CONTRACTOR in the amount of the damage claim may be deducted from the CONTRACTOR's monthly invoice.

3.15 Termination.

3.15.1 Notice; Reason. SAFE may, by written notice to CONTRACTOR, terminate this Contract, in whole or in part, including, without limitation, the geographical territory covered by this Contract, at any time by giving written notice to CONTRACTOR of such termination, and specifying the effective date thereof ("Notice of Termination"). Such termination may be for SAFE's convenience, due to lack of available funding for the Services, or because of CONTRACTOR's failure to perform its duties and obligations under this Contract, including, but not limited to, the failure of CONTRACTOR to timely perform Services pursuant to the Scope of Services described in Section 3, entitled "Terms," as well as Section 7 of the RFP. CONTRACTOR may not terminate this Contract except for cause.

3.15.2 Discontinuance of Services. Upon receipt of the written Notice of Termination, CONTRACTOR shall discontinue all affected Services as directed in the Notice of Termination, and deliver to SAFE all Documents and Data, as defined in this Contract, as may have been prepared or accumulated by CONTRACTOR in performance of the Services, whether completed or in progress.

3.15.3 Effect of Termination For Convenience. If the termination is to be for the convenience of SAFE, SAFE shall compensate CONTRACTOR for Services fully and adequately provided through the effective date of termination as provided in the Notice of Termination. Such payment shall include a pro-rated amount of profit, if applicable, up through such effective date, but no amount shall be paid for anticipated profit on unperformed Services

past such effective date. CONTRACTOR shall provide documentation deemed adequate by SAFE's Representative to show the Services actually completed by CONTRACTOR prior to the effective date of termination. This Contract shall terminate on the effective date of the Notice of Termination.

3.15.4 Effect of Termination for Cause. If the termination is for cause, CONTRACTOR shall be compensated for those Services which have been fully and adequately completed and accepted by SAFE as of the effective date of termination as provided in the Notice of Termination. In such case, SAFE may take over the work and prosecute the same to completion by contract or otherwise. Further, CONTRACTOR shall be liable to SAFE for any reasonable additional costs or damages incurred to revise work for which SAFE has compensated CONTRACTOR under this Contract, but which SAFE has determined in its sole discretion needs to be revised, in part or whole. Termination of this Contract for cause may be considered by SAFE in determining whether to enter into future contracts with CONTRACTOR.

3.15.5 Cumulative Remedies. The rights and remedies of the Parties provided in this Section are in addition to any other rights and remedies provided by law or under this Contract.

3.15.6 Procurement of Similar Services. In the event this Contract is terminated, in whole or in part, as provided by this Section, SAFE may procure, upon such terms and in such manner as it deems appropriate, services similar to those terminated.

3.15.7 Waivers. CONTRACTOR, in executing this Contract, recognizes that the Services may be terminated, in whole or in part, as provided in this Section. CONTRACTOR shall not be entitled to any damages including, but not limited to, any compensation for costs incurred to procure vehicles, meet the terms for providing the Services, or for any other costs or expenses, and shall be deemed to have waived any and all claims for damages, costs or expenses which may otherwise arise from SAFE's termination of this Contract, for convenience or cause, as provided in this Section.

3.15.8 Authorization to Terminate. The Executive Director of SAFE shall have the full authority and discretion to exercise SAFE's rights under this Section 3.15, entitled "Termination".

3.16 Trend Meetings. CONTRACTOR shall attend, or send a designated management-level representative, to all trend meetings (i.e., required FSP TAC meeting which meets every other month). These trend meetings will encompass focused and informal discussions concerning, but not limited to: scope, Services, schedule, current progress of Services, relevant cost issues, and future objectives. CONTRACTOR shall be responsible for having a representative attend all meetings (i.e., FSP TAC meetings) that has the ability to make management-level decisions on the behalf of the CONTRACTOR. If the CONTRACTOR cannot have a management-level representative at a meeting, CONTRACTOR shall notify SAFE and CHP prior to the meeting. Management-level attendance at these meetings shall be considered part of the CONTRACTOR's contractual responsibility. Meetings are scheduled, and CONTRACTOR will be notified of such schedule, no later than three (3) working days prior to the meeting.

3.17 Fees and Payment.

3.17.1 Amount to be Paid. Subject to the provisions set forth below for Services satisfactorily performed hereunder, SAFE shall pay the CONTRACTOR on a fixed unit rate basis a ceiling price NOT TO EXCEED **Two Million, Four Hundred Twenty Thousand, Seven Hundred Forty DOLLARS (\$2,420,740).**

3.17.2 Maximum Payment is the Ceiling Price. SAFE shall not be obligated to pay costs which exceed the ceiling price set forth above, except as provided in Sections 3.15 and 3.17.10. CONTRACTOR agrees to use its best efforts to perform the services and all obligations under this Contract within such ceiling price.

3.17.3 Hourly Rate; Break and Meal Periods. For its performance of the Services, the CONTRACTOR shall be paid for labor expended directly in the performance of the Services at the rates specified below. Payments shall be made monthly in arrears based on Services provided and allowable incurred expenses. The CONTRACTOR shall not be entitled to reimbursements for any expenses unless approved in advance in writing.

SCHEDULE OF HOURLY RATES

Hourly rates are set forth in Exhibit "B" attached hereto and incorporated herein by reference.

Hourly rates may be adjusted as set forth in Chapter 9, Violations/Penalties, of the FSP Standard Operating Procedures (SOP).

A) CONTRACTOR is responsible for compliance with all California labor laws related to break periods and meal periods including, but not limited to, compliance with Labor Code section 512. CONTRACTOR shall be solely responsible for any additional pay to which its drivers may be entitled for CONTRACTOR's failure to comply with the California labor law requirements.

B) During shifts that require drivers to be provided a 30-minute meal period break pursuant to Labor Code section 512, CONTRACTOR shall either make arrangements for another certified driver to provide Services during those breaks or not be compensated for each 30-minute meal period break during which Services are not provided. In no case shall CONTRACTOR be entitled to bill RCTC for time during which a driver is taking a meal period break.

3.17.4 Payment Coverage. The compensation herein above specified will cover and include all applicable labor surcharges such as taxes, insurance and fringe benefits, as well as indirect costs, overhead, general and administrative expense, and profit.

3.17.5 Cost Principles.

A) CONTRACTOR agrees to comply with 2 CFR, Part 225, Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

B) CONTRACTOR agrees that 1) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual cost items, and 2) CONTRACTOR shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C) Any costs for which CONTRACTOR has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by CONTRACTOR to SAFE. Should CONTRACTOR fail to reimburse moneys due SAFE within 30 days of demand, or within such other period as may be agreed in writing between the Parties hereto, SAFE is authorized to intercept and withhold future payments due CONTRACTOR from SAFE or any third-party source, including, but not limited to, the State Treasurer, the State Controller, and the California Transportation Commission.

3.17.6 Fines. Fines for starting late; leaving early; taking more breaks than authorized; or being ordered out of service by a CHP, SAFE Representative or Caltrans supervisor for Contract infractions shall be deducted from the CONTRACTOR's monthly invoice at five (5) times the hourly rate, plus the loss of revenue for the down time. Fines may be further described in the attached Exhibit "A" or Exhibit "B".

3.17.7 Accounting System. CONTRACTOR and its subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate expenditures by line item for the Services. The accounting system of CONTRACTOR and its subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

3.17.8 Invoices. Invoices for CONTRACTOR's Services shall be submitted monthly on forms approved by SAFE. Invoices will be routinely verified by CHP. To ensure prompt payment, most billing disputes may be resolved within ten (10) working days of written notice of dispute. However, at SAFE's discretion, reconciliation of disputed fines that sum to less than 2% of the months' Invoice may be corrected on the next month's Invoice to ensure prompt payment of the major portion of the invoice. Each Invoice shall include a cover sheet bearing a certification as to the accuracy of the statement signed by the CONTRACTOR's authorized officer. Invoices shall be mailed to SAFE's Contract Administrator at the following address:

Riverside County Service Authority for Freeway Emergencies
FSP Program
P.O. Box 12008
Riverside, CA

92502-2208
Attn: Brian Cunanan

3.17.8.1 Monthly Progress Reports. As part of its Invoice, CONTRACTOR shall submit a Monthly Progress Report, in a form determined by SAFE, which will cover the Invoice period and include spreadsheets showing hours expended for each day of the month per vehicle per beat, and the total for the term of the Contract to date. Submission of such Monthly Progress Report by CONTRACTOR shall be a condition precedent to receipt of payment from SAFE for each monthly Invoice submitted.

3.17.8.2 Payment Schedule. Invoice periods shall be based upon a calendar month, beginning with the first day of the month. SAFE shall reimburse CONTRACTOR for Services adequately provided under this Contract within thirty (30) days of receiving the current period invoice with no errors. If the Invoice is completed incorrectly by the CONTRACTOR it will delay payment. If SAFE fails to pay any amount owed to CONTRACTOR under this Contract within thirty (30) days after receipt of the invoice, CONTRACTOR may give SAFE a notice of failure to pay which shall set forth the invoice(s) and amount(s) which CONTRACTOR believes are thirty (30) days overdue. SAFE shall pay any undisputed invoice(s) and amount(s) within thirty (30) days of receipt of a notice of failure to pay.

3.17.9 Right to Audit. For the purpose of determining compliance with this Contract and other matters connected with the performance of CONTRACTOR's contracts with third parties, CONTRACTOR and its subcontractors shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times for three years from the date of final payment of Funds to CONTRACTOR. SAFE, the State of California acting through the Department of Transportation or its duly authorized representative, the California State Auditor, or the United States Department of Transportation shall each have access to any books, records, and documents that are pertinent for audits, examinations, excerpts, and transactions, and CONTRACTOR shall furnish copies thereof if requested.

3.17.10 Taxes. CONTRACTOR shall pay any sales, use, or other taxes, if any, attributable to the provision of the Services.

3.17.11 Travel and Subsistence. Payments to CONTRACTOR for travel and subsistence expenses claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid exempt non-represented State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced are in excess of those authorized DPA rates, then CONTRACTOR is responsible for the cost difference and any overpayments shall be reimbursed to SAFE on demand.

3.17.12 Employment Adverse to the SAFE. CONTRACTOR shall notify SAFE, and shall obtain SAFE's written consent, prior to accepting work to assist with or participate in a third-party lawsuit or other legal or administrative proceeding against SAFE during the term of this Contract.

3.17.13 Extra Work. At any time during the term of this Contract, SAFE may request CONTRACTOR to perform Extra Work. "Extra Work" shall mean any work which is determined by SAFE to be necessary for proper completion of the Services, but which the Parties did not reasonably anticipate would be necessary at the time of the execution of this Contract and was not included in the Scope of Services. Extra Work, if any, shall be reimbursed at the same hourly rate as identified in Section 3.17.3. CONTRACTOR shall not perform, nor be compensated for Extra Work without obtaining authorization in the form of a written Extra Work Order issued by SAFE's Representative. For instance, Construction FSP services as it relates to construction activity can be considered Extra Work. In the event an Extra Work Order is not issued and signed by SAFE's Representative, CONTRACTOR shall not provide such Extra Work. However, no compensation or reimbursement for Extra Work shall be paid if it is not authorized by SAFE and if the cumulative total of such Extra Work under the Contract exceeds \$25,000. All Extra Work in a cumulative total in excess of \$25,000 must be approved in advance by amendment to this Contract.

3.17.13.1 Extra Work Cancellation Policy. If a tow operator is scheduled for Extra Work and they are notified of a cancellation with **LESS than a 24 hour notice** – then the tow operator will be reimbursed for **three (3) hours** of the agreed upon contract hourly rate. *Note: The minimum of the three (3) hours should cover eight hours of the drivers' hourly wage.* Starting with "Less than a 24 hour cancellation notice" up to the time the tow operator is on the assigned Extra Work Beat, the "three contract hour cancellation rate" remains the same. Once the tow operator is on the Extra Work Beat, the cancellation policy changes.

If a tow operator begins the Extra Work (the truck is on the Beat) and is then notified that Extra Work has been cancelled, the FSP operator will be paid for the entire shift period **up to a maximum of eight (8) hours**. A shift period for this policy is defined as: the time period of the actual Extra Work shift assigned or for a maximum of eight (8) contract hours, whichever is less.

The supervising FSP CHP Officer for the Extra Work shift will make the final determination as to whether or not the tow operator will continue to work the Extra Work shift. Regardless, the tow operator will be reimbursed for the original shift period or a maximum of eight (8) hours, whichever is less.

3.17.14 Most Favored Customer. CONTRACTOR agrees that, throughout the term of this Contract, it shall not enter into any FSP services agreement with any government agency with whom it has either existing contractual relationship or has no contractual relationship that predates this Contract, pursuant to which CONTRACTOR agrees to charge FSP services fees less than those as indicated in this Contract for substantially the same level of FSP services contemplated by this Contract. Should SAFE establish that such lower fees have been agreed to by CONTRACTOR with another government agency, CONTRACTOR agrees to renegotiate the fees or to refund SAFE an amount equal to the difference between the fees indicated in this Contract and the fees charged to other government agency customer.

3.17.15 Mobilization Costs Payment. Upon issuance of a limited Notice to Proceed, a mobilization costs payment in the amount of \$ ____ (amount) ____ will be made to CONTRACTOR to help offset pre-start-date costs ("Mobilization Payment"). CONTRACTOR shall pay back the Mobilization Payment in twelve (12) equal monthly installments to be deducted from CONTRACTOR's monthly invoice.

In the event of early termination, any unpaid portion of the Mobilization Payment will be withheld from final payment to the CONTRACTOR.

3.18 Delay in Performance.

3.18.1 Excusable Delays. Neither Party shall be considered in default in the performance of its obligations to the extent that the performance of any such obligation is prevented or delayed by an Excusable Delay. Should CONTRACTOR be delayed or prevented from the timely performance of any act or Services required by the terms of the Contract by an Excusable Delay, Contractor's schedule for completion of tasks affected by such delay may be extended as set forth in Section 3.18.2. But in every case, CONTRACTOR's failure to perform must be reasonably beyond the control, and without the fault or negligence of the CONTRACTOR. Excusable Delays are acts of God or of the public enemy, acts or omissions of SAFE or other governmental agencies in either their sovereign or contractual capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes or unusually severe weather.

3.18.2 Written Notice. If CONTRACTOR believes it is entitled to an extension of time due to conditions set forth in subsection 3.18.1, CONTRACTOR shall provide written notice to the SAFE within seven (7) working days from the time CONTRACTOR knows, or reasonably should have known, that performance of the Services will be delayed due to such conditions. Failure of CONTRACTOR to provide such timely notice shall constitute a waiver by CONTRACTOR of any right to an excusable delay in time of performance.

3.18.3 Mutual Contract. Performance of any Services under this Contract may be delayed upon mutual agreement of the Parties. Upon such agreement, CONTRACTOR's Schedule of Services (as defined in their Proposal) shall be extended as necessary by SAFE. CONTRACTOR shall take all reasonable steps to minimize delay in completion, and additional costs, resulting from any such extension.

3.19 Status of CONTRACTOR/Subcontractors.

3.19.1 Independent Contractor. The Services shall be performed by CONTRACTOR or under its supervision. CONTRACTOR will determine the means, methods and details of performing the Services subject to the requirements of this Contract. SAFE retains CONTRACTOR on an independent contractor basis and not as an employee, agent or representative of the SAFE. CONTRACTOR retains the right to perform similar or different services for others during the term of this Contract. Any additional personnel performing the Services under this Contract on behalf of CONTRACTOR shall at all times be under

CONTRACTOR's exclusive direction and control. CONTRACTOR shall pay all wages, salaries and other amounts due such personnel in connection with their performance of Services and as required by law. CONTRACTOR shall be responsible for all reports and obligations respecting such personnel, including but not limited to, social security taxes, income tax withholdings, unemployment insurance, disability insurance, and workers' compensation insurance.

3.19.2 Assignment or Transfer. CONTRACTOR shall not assign, hypothecate, or transfer, either directly or by operation of law, this Contract or any interest herein, without the prior written consent of SAFE. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. Notwithstanding the foregoing, SAFE may transfer or assign any and all of its rights and obligations under this Contract, including, without limitation the rights to terminate this Contract, as assigned, pursuant to Section 3.15 hereof.

3.19.3 Subcontracting. CONTRACTOR shall not subcontract any portion of the work or Services required by this Contract, except as expressly stated herein, including the Scope of Services, without prior written approval of the SAFE. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Contract. SAFE shall have no liability to any subconsultant(s) for payment for services under this Contract or other work performed for CONTRACTOR, and any subcontract entered into by CONTRACTOR pursuant to the conduct of services under this Contract shall duly note that the responsibility for payment for the technical services or any other work performed shall be the sole responsibility of CONTRACTOR.

3.20 CONTRACTOR will maintain an inventory of all non-expendable equipment, defined as having a useful life of at least two years and an acquisition cost of \$500 or more, paid for with funds provided pursuant to this Contract.

3.21 Ownership of Materials and Confidentiality.

3.21.1 Documents & Data; Licensing of Intellectual Property. All plans, specifications, studies, drawings, estimates, materials, data, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings, spreadsheets, or data magnetically or otherwise recorded on computer diskettes, prepared by or on behalf of CONTRACTOR under this Contract ("Documents and Data"), shall be made available to SAFE at all times during this Contract and shall become the property of SAFE upon the completion of the term of this Contract, except that CONTRACTOR shall have the right to retain copies of all such Documents and Data for its records. Should CONTRACTOR, either during or following termination of this Contract, desire to use any Documents and Data, it shall first obtain the written approval of SAFE. This Contract creates a no-cost, nonexclusive, and perpetual license for SAFE to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in the Documents and Data which are prepared or caused to be prepared by CONTRACTOR under this Contract ("Intellectual Property"). CONTRACTOR shall require all subcontractors to agree

in writing that SAFE is granted a no-cost, nonexclusive, and perpetual license for any Intellectual Property the subcontractor prepares under this Contract. CONTRACTOR represents and warrants that CONTRACTOR has the legal right to license any and all Intellectual Property prepared or caused to be prepared by CONTRACTOR under this Contract. SAFE shall not be limited in any way in its use of the Intellectual Property at any time, provided that any such use not within the purposes intended by this Contract shall be at SAFE's sole risk.

3.21.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to CONTRACTOR in connection with the performance of this Contract shall be held confidential by CONTRACTOR to the extent permitted by law, including, without limitation, the California Public Records Act, Government Code section 6250 et seq. Such materials shall not, without the prior written consent of SAFE, be used by CONTRACTOR for any purposes other than the performance of the Services as provided herein. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services, except as provided herein. Nothing furnished to CONTRACTOR which is otherwise known to CONTRACTOR or is generally known, or becomes known, to the related industry shall be deemed confidential. CONTRACTOR shall not use SAFE's name or insignia, photographs, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production, or other similar medium without the prior written consent of SAFE.

3.22 Indemnification. CONTRACTOR shall indemnify and hold SAFE, COMMISSION, CHP, Caltrans and their directors, officials, officers, agents, contractors, consultants, employees, and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages or injuries, in law or in equity, to property or persons, including wrongful death, in any manner arising out of, or incident to, any acts, omissions, or willful misconduct of the CONTRACTOR, its officials, officers, employees, agents, consultants, and contractors arising out of or in connection with the performance of the Services or this Contract, including without limitation, the payment of all consequential damages and other related costs and expenses. CONTRACTOR shall defend, at CONTRACTOR's own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against SAFE, COMMISSION, CHP, Caltrans or their directors, officials, officers, agents, contractors, consultants, employees, and volunteers. CONTRACTOR shall pay and satisfy any judgment, award, or decree that may be rendered against SAFE, COMMISSION, CHP, Caltrans or their directors, officials, officers, agents, consultants, employees, and volunteers, in any such suit, action, or other legal proceeding. CONTRACTOR shall reimburse SAFE, COMMISSION, CHP, Caltrans and their directors, officials, officers, agents, consultants, employees, and volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. CONTRACTOR's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the CONTRACTOR, SAFE, COMMISSION, CHP, Caltrans or their directors, officials, officers, agents, consultants, employees, and volunteers.

3.23 Insurance.

3.23.1 Time for Compliance. CONTRACTOR shall not commence work under this Agreement until it has provided evidence satisfactory to SAFE that it has secured all insurance required under this section, in a form and with insurance companies acceptable to SAFE. In addition, CONTRACTOR shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

3.23.2 Minimum Requirements. CONTRACTOR shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the CONTRACTOR, its agents, representatives, employees or subcontractors. CONTRACTOR shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) Automobile Liability: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. CONTRACTOR shall maintain limits no less than:

(i) General Liability:

Per occurrence:	\$2,000,000
Project Specific Aggregate:	\$4,000,000
Products/Completed Operations:	\$1,000,000
Personal Injury Limit:	\$1,000,000

(ii) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage; and

(iii) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Practices Liability limits of \$1,000,000 per accident.

3.23.3 On-Hook Insurance & Garage Keepers Liability Coverage.

(A) CONTRACTOR shall maintain a policy of On-Hook Towing Insurance to include the care, custody or control exposure present while vehicles are being serviced roadside, on-hook, or in a storage yard for not less than one hundred thousand dollars (\$100,000).

(B) CONTRACTOR shall maintain a policy of Garage Keepers Liability Insurance which shall include coverage for vehicles in the care, custody and control of the CONTRACTOR with limits of liability not less than \$500,000 per occurrence for property damage.

3.23.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or CONTRACTOR shall provide endorsements on forms approved by SAFE to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) bodily Injury and property damage; (2) personal Injury/advertising Injury; (3) premises/operations liability; (4) products/completed operations liability; (5) aggregate limits that apply per Project; (6) explosion, collapse and underground (UCX) exclusion deleted; (7) contractual liability with respect to this Agreement; (8) broad form property damage; and (9) independent consultants coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Agreement.

(iii) The policy shall give SAFE, COMMISSION, CHP, Caltrans and their directors, officials, officers, employees, and agents insured status using ISO endorsement forms 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from SAFE, COMMISSION, CHP, or Caltrans insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) SAFE, COMMISSION, CHP, Caltrans and their directors, officials, officers, employees and agents shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the CONTRACTOR or for which the CONTRACTOR is responsible; and (2) the insurance coverage shall be primary insurance as respects SAFE, COMMISSION, CHP, Caltrans and their directors, officials, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the CONTRACTOR's scheduled underlying coverage. Any insurance or self-insurance maintained by SAFE, COMMISSION, CHP, Caltrans or their directors, officials, officers, employees and agents shall be excess of the CONTRACTOR's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) CONTRACTOR certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against SAFE, its directors, officials, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the CONTRACTOR.

(D) All Coverages.

(i) Defense costs shall be payable in addition to the limits set forth hereunder.

(ii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to SAFE, its directors, officials, officers, employees and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(iii) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of SAFE, COMMISSION, CHP, and Caltrans (if agreed to in a written contract or agreement) before SAFE, COMMISSION, CHP or Caltrans own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella/excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(iv) CONTRACTOR shall provide SAFE at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the CONTRACTOR shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the CONTRACTOR shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to SAFE at least ten (10) days prior to the effective date of cancellation or expiration.

(v) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. CONTRACTOR shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement.

CONTRACTOR shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(vi) The foregoing requirements as to the types and limits of insurance coverage to be maintained by CONTRACTOR, and any approval of said insurance by SAFE, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the CONTRACTOR pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(vii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, SAFE has the right but not the duty to obtain the insurance it deems necessary and any premium paid by SAFE will be promptly reimbursed by CONTRACTOR or SAFE will withhold amounts sufficient to pay premium from CONTRACTOR payments. In the alternative, SAFE may cancel this Agreement. SAFE may require the CONTRACTOR to provide complete copies of all insurance policies in effect for the duration of the Project.

(viii) Neither SAFE, COMMISSION, CHP, Caltrans nor any of their directors, officials, officers, employees or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

Each insurance policy required by this Agreement shall be endorsed to state that:

3.23.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by SAFE. If SAFE does not approve the deductibles or self-insured retentions as presented, CONTRACTOR shall guarantee that, at the option of SAFE, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects SAFE, its directors, officials, officers, employees and agents; or, (2) the CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.23.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A: VIII, licensed to do business in California, and satisfactory to SAFE.

3.23.7 Verification of Coverage. CONTRACTOR shall furnish SAFE with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to SAFE. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by SAFE before work commences. SAFE reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.23.8 Subcontractor Insurance Requirements. CONTRACTOR shall not allow any subcontractors to commence work on any subcontract until they have provided evidence satisfactory to SAFE that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subcontractors shall be endorsed to name SAFE, COMMISSION, CHP and Caltrans as additional insureds using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by CONTRACTOR, SAFE may approve different scopes or minimum limits of insurance for particular subcontractors or subcontractors.

3.23.9 Review of Coverage. SAFE retains the right at any time to review the coverage, form and amount of insurance required herein and may require CONTRACTOR to obtain additional insurance reasonably sufficient in coverage, form, amount to provide adequate protection against the kind and extent of risk which exists at the time of change in insurance required.

3.23.10 Safety. CONTRACTOR shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the CONTRACTOR shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment, and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.24 Prohibited Interests.

3.24.1 Solicitation. CONTRACTOR warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for CONTRACTOR, to solicit or secure this Contract. Further, CONTRACTOR warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for CONTRACTOR, any fee, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, SAFE shall have the right to rescind this Contract without liability.

3.24.2 Conflict of Interest. For the term of this Contract, no member, officer or employee of SAFE, during the term of his or her service with SAFE, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom.

3.24.3 Conflict of Employment. Employment by the CONTRACTOR of personnel currently on the payroll of SAFE shall not be permitted in the performance of this Contract, even though such employment may occur outside of the employee's regular working

hours or on weekends, holidays, or vacation time. Further, the employment by the CONTRACTOR of personnel who have been on SAFE payroll within one year prior to the date of execution of this Contract, where this employment is caused by, and or dependent upon, the CONTRACTOR securing this or related Contracts with SAFE, is prohibited.

3.25 Nondiscrimination; Equal Opportunity Employment. CONTRACTOR shall not deny any benefits of this Contract on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall CONTRACTOR unlawfully discriminate, harass, or allow harassment against any subcontractor, employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.

Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Admin. Code, Tit. 2, Section 7285.0 et seq.): The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Sec 12900, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code, Sec 12900, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this Contract by reference and made a part hereof as if set forth in full. CONTRACTOR shall include the provisions of this Section in all of CONTRACTOR's subcontracts with respect to work under this Agreement, unless exempted by the Regulations. CONTRACTOR shall also comply with all relevant provisions of SAFE's Minority Business Enterprise program, Affirmative Action Plan, or other related SAFE programs or guidelines currently in effect or hereinafter enacted.

3.26 Right to Employ Other CONTRACTORs. SAFE reserves the right to employ other CONTRACTORs in connection with the Services.

3.27 Governing Law. The validity of this Contract and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by and construed with the laws of the State of California.

3.28 Venue. The Parties acknowledge and agree that this Contract was entered into and intended to be performed in Riverside County, California. The Parties agree that the venue for any action or claim brought by any Party will be the Central District of Riverside County. Each Party hereby waives any law or rule of court which would allow them to request or demand a change of venue. If any action or claim concerning this Contract is brought by any third party, the Parties agree to use their best efforts to obtain a change of venue to the Central District of Riverside County.

3.29 Time of Essence. Time is of the essence for each and every provision of this Contract.

3.30 Headings. Article and section headings, paragraph captions, or marginal headings contained in this Contract are for convenience only and shall have no effect in the construction or interpretation of any provision herein.

3.31 Notices. All notices hereunder and communications regarding interpretation of the terms of this Contract or changes thereto shall be given to the respective Parties at the following addresses, or at such other addresses as the respective Parties may provide in writing for this purpose:

CONTRACTOR:	SAFE:
<u>Royal Coaches Auto Body & Towing</u>	Riverside County Service Authority
<u>14827 Ramona Blvd.</u>	for Freeway Emergencies
<u>Baldwin Park, CA 91706</u>	FSP Program
<u>Attn: William Salazar</u>	P.O. Box 12008
	Riverside, CA
	92502-2208
	Attn: Brian Cunanan

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. mail, first class postage prepaid, and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.32 Electronic Delivery of Agreement. A manually signed copy of this Agreement which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of the Agreement for all purposes.

3.33 Amendment or Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.34 Entire Contract. This Agreement contains the entire Agreement of the Parties relating to the subject matter hereof and supersedes all prior negotiations, contracts or understandings.

3.35 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.36 No Waiver. Failure of CONTRACTOR to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

3.37 Eight-Hour Law. Pursuant to the provisions of the California Labor Code, eight hours of labor shall constitute a legal day's work, and the time of service of any worker employed on the work shall be limited and restricted to eight hours during any one calendar day, and forty hours in any one calendar week, except when payment for overtime is made at not less than one and one-half the basic rate for all hours worked in excess of eight hours per day ("Eight-Hour Law"), unless CONTRACTOR or the Services are not subject to the Eight-Hour Law. CONTRACTOR shall forfeit to SAFE as a penalty, \$50.00 for each worker employed in the execution of this Agreement by him, or by any sub-consultant under him, for each calendar day during which such workman is required or permitted to work more than eight hours in any calendar day and forty hours in any one calendar week without such compensation for overtime violation of the provisions of the California Labor Code, unless CONTRACTOR or the Services are not subject to the Eight-Hour Law.

3.38 Subpoenas or Court Orders. Should CONTRACTOR receive a subpoena or court order related to this Agreement, the Services or the Project, CONTRACTOR shall immediately provide written notice of the subpoena or court order to the SAFE. CONTRACTOR shall not respond to any such subpoena or court order until notice to the SAFE is provided as required herein and shall cooperate with the SAFE in responding to the subpoena or court order.

3.39 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification and confidentiality obligations, and the obligations related to receipt of subpoenas or court orders, shall survive any such expiration or termination.

3.40 Counterparts. This Agreement may be signed in one or more counterparts, any one of which shall be effective as an original document.

3.41 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

3.42 Conflicting Provisions. In the event that provisions of any attached exhibits conflict in any way with the provisions set forth in this Agreement, the language, terms and conditions contained in this Agreement shall control the actions and obligations of the Parties and the interpretation of the Parties' understanding concerning the performance of the Services. In the event the standards set forth in this Agreement conflict with the standards set forth in any exhibit hereto, the higher standard shall govern.

3.43 Attorneys' Fees and Costs. If any legal action is instituted to enforce or declare any Party's rights hereunder, each Party, including the prevailing Party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against a Party hereto and payable under Section 3.21, Indemnification.

3.44 Consent. Whenever consent or approval of any Party is required under this Contract, that Party shall not unreasonably withhold nor delay such consent or approval.

3.45 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

[Signatures on following page]

**SIGNATURE PAGE
TO AGREEMENT 23-45-014-00**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first herein written above.

RIVERSIDE COUNTY
TRANSPORTATION COMMISSION
ACTING AS THE
RIVERSIDE COUNTY SERVICE
AUTHORITY FOR FREEWAY
EMERGENCIES

[LEGAL STATUS OF CONTRACTOR]

By: _____
RCTC Chair

By: _____

Name

Title

APPROVED AS TO FORM:

Attest:

By: _____
Best Best & Krieger LLP,
Counsel to the Riverside County
Service Authority for
Freeway Emergencies

By: _____
Its: Secretary

EXHIBIT “A”

Scope of Services

DRAFT

SCOPE OF SERVICES

1.0 GENERAL INFORMATION

1.1 Background & Introduction

In 1986, the Commission established itself as the Riverside County Service Authority for Freeway Emergencies (RC SAFE) after the enactment of SB 1199 in 1985. The purpose of the formation of SAFE in California was to provide call box services and, with excess funds, provide additional motorist aid services. Funding for RC SAFE is derived from a one dollar per vehicle registration fee on vehicles registered in Riverside County. Initially, these funds were used only for the call box program. As additional motorist aid services were developed, SAFE funds were also used to provide Freeway Service Patrol (FSP) and the Inland Empire 511 traveler information services as part of a comprehensive motorist aid system in Riverside County.

In 1990, Proposition C was passed to fund transportation improvements and to help reduce traffic congestion in California. From this, the FSP program was created by Caltrans, which developed the corresponding Local Funding Allocation Plan to distribute funds to participating jurisdictions. In addition to funding received from Caltrans, agencies are required to contribute a 25 percent local match. For the Commission, SAFE revenues are used to meet this match requirement.

The Commission, acting in its capacity as the SAFE, is the principal agency in Riverside County, in partnership with Caltrans and the California Highway Patrol (CHP), managing the FSP program. The purpose of the FSP program is to provide a continuously roving tow services patrol along designated freeway segments (referred to as beats) to relieve freeway congestion and facilitate the rapid removal of disabled vehicles and those involved in minor accidents on local freeways. Contracts to provide FSP tow service are competitively bid as needed for each beat.

1.2 Project Description

The purpose of the FSP program is to provide a continuous roving patrol for the rapid removal of disabled vehicles and those involved in minor accidents from the freeway. Where traffic conditions permit, safe removal of small debris will be required. Vehicle operators shall be responsible for clearing the freeway of automobiles, small trucks, and small debris. When and where conditions warrant, service may be executed on the freeway shoulders. Where conditions do not warrant, vehicle operators will remove the vehicles from the freeway to provide service. FSP vehicles shall continuously patrol their assigned beat, respond to CHP calls for Services, use the designated turnaround locations, and use the CHP identified designated drop locations.

FSP vehicle operators may be required to perform minor services such as change flat tires, provide "jump" starts, provide one gallon of gasoline or diesel fuel, temporarily tape cooling system hoses, and refill radiators in a safe and efficient manner. Vehicle operators may spend a maximum of ten (10) minutes per disablement in attempting to mobilize a vehicle.

If a disabled vehicle cannot be mobilized within the ten-minute (10) time limit, it shall be towed to a designated drop location identified by the CHP. The motorist can request the FSP vehicle operator to call the CHP Communications Center to request a CHP rotational tow or other services. FSP vehicle operators shall not be allowed to tow as an independent contractor from an incident that occurred during the FSP shift unless called as a rotation tow by CHP after the FSP shift has ended. If called as a rotation tow after a FSP shift, the vehicle operator must remove all FSP markings such as vests, uniforms, and magnetic vehicle signage.

There may be some instances where FSP operators may be requested to provide assistance to CHP officers. FSP operators shall follow the instructions of the CHP officer at the scene of any incident within the scope of the FSP program.

All FSP services shall be provided at no cost to the motorist. FSP vehicle operators shall not accept gratuities, perform secondary towing services, recommend secondary tows, or recommend repair/body shop businesses.

Freeway Service Patrol hours of operation are 5:30 a.m. to 8:30 a.m. and 2:30 p.m. to 6:30 p.m., Monday through Thursday; and 5:30 a.m. to 8:30 a.m. and 12:30 p.m. to 6:30 p.m. on Friday. Contractor vehicles shall be exclusively dedicated to the service during FSP service hours. All vehicle maintenance activities shall be conducted during non-service hours.

The FSP operates on selected freeway segments referred to as "Beats". Each Beat has specific turnaround locations and designated drop locations identified by the California Highway Patrol (CHP). The Scope of Services (Section 2.0) hereunder identifies the specific limits, number of tow trucks, number of back-up trucks, hours of operation, and tentative holidays on which the cost of each beat shall be based. RCTC reserves the right to add or delete holidays to the work schedule. Travel time to and from the Beat will be at the expense of the Contractor.

To be awarded a contract, a Contractor must have a tow facility within close proximity to the service area, have been in business as a tow service operator for a minimum of five (5) years, and have a minimum of one (1) full year experience working under contract/agreement and in good standing within the last three (3) years with any type of law enforcement agency.

A Contractor with no prior FSP experience shall be considered NEW and may only be awarded one FSP beat. A Contractor that has been terminated for cause from any FSP contract within the state shall not be eligible to participate in the Riverside County FSP program. A NEW Contractor, who remains in good standing, as determined by FSP

management, may be considered for additional beat awards in future procurements. An existing Contractor that is not in good standing as determined by information received by the FSP management staff at the time of their proposal may, at the discretion of FSP management, be limited to the number of beats the Contractor is awarded, including not being awarded any beats.

FSP Management Staff reserves the right to limit the number of beats awarded to one Contractor.

At any time during the contract's term, RCTC reserves the right to adjust Beat specifications and Beat hours to better accommodate demand for the service, or the availability of funding. These changes can occur during the course of the contract through written change orders. If warranted during the service hours of operation, the Contractor may be requested to temporarily reassign his/her FSP operators/trucks to locations outside its assigned Beat. Tow Operators may be permitted to do this only upon CHP and/or RCTC approval. FSP vehicle operators shall follow the instructions of the CHP officer at the scene of any incident within the scope of the FSP program.

The contract start date for Beats 20 and 35 shall be August 30, 2023. The first day of FSP service is Wednesday, August 30, 2023. These are 5-year contracts that expire on August 31, 2028.

If awarded a contract, the Contractor shall have two hundred sixteen (216) calendar days for Beat 20 and 35, after the notice of award (notice of award tentatively expected on or around January 11, 2023), in which to acquire the required equipment and hire and train vehicle operators. The Contractor shall have the appropriate number of primary and back-up trucks ready for equipment installation and CHP inspection no later than August 15, 2023. Any company that cannot meet the above-mentioned requirements shall not be awarded the contract(s).

2.0 Beat Description/Summary

FSP operates on selected freeway segments referred to as "beats". Each beat has specific turnaround locations and designated drop locations identified by the CHP. The specific limits, number of tow trucks, number of back-up trucks and hours of operation, including the holiday schedule, are detailed below. SAFE reserves the right to add or delete holidays to the work schedule, provided that SAFE provides CONTRACTOR seven (7) days advanced notice of such addition or deletion. Travel time to and from the beat will be at the expense of the CONTRACTOR.

At any time, SAFE reserves the right to adjust beat specifications to better accommodate demand for the Services, or availability of funding. These changes can occur during the course of this Contract through written change orders. If warranted and during the hours of operation of the Services, the CONTRACTOR may be requested to temporarily reassign his/her FSP operators/trucks to locations outside the assigned beat.

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FSP Beat #	Beat Description	One-Way Length in Miles	# Primary FSP Trucks in both AM and PM	# Backup FSP Trucks
20	I-215 from SR-74/W 4th St. to Murrieta Hot Springs	16.8	2	1
35	I-15 from SR-74 to Temecula Parkway/79S	18.9	2	1

2.1 Hours of Operation:

Monday through Thursday: 5:30 a.m. to 8:30 a.m., and from 2:30 p.m. to 6:30 p.m.
Friday: 5:30 a.m. to 8:30 a.m., and from 12:30 p.m. to 6:30 p.m.

Each Beat requires at least one backup truck available at all times. **RCTC reserves the right to change Beat hours and operational requirements during the course of the contract.**

- a. Total estimated service hours per vehicle/per year: 1,950
- b. In addition to the above service hours, at the discretion of RCTC and CHP, additional service may be requested on certain "high traffic days" on/or following certain holidays (e.g. July 4th, Labor Day, and Memorial Day). Contractor will be notified at least one week prior to when this service is to be provided.

During FSP shifts that require a 30-minute meal period break to be provided pursuant to Labor Code section 512, the Contractor shall either make arrangements for another certified FSP driver to provide the contracted FSP coverage during those breaks or not be compensated for each 30-minute meal period break during which FSP service is not provided. In no case shall the Contractor be entitled to compensation from RCTC for time during which its FSP driver is taking a 30-minute meal period break, unless the Contractor has provided another driver to cover this 30-minute meal period break.

2.2 Holiday Schedule

Proposer shall submit its cost proposal for provision of the required FSP tow services five days each week, Monday through Friday, of each year during the contract term, except for the following ten (10) holidays:

1. Martin Luther King, Jr. Day (Monday)
2. Presidents' Day (Monday)
3. Memorial Day (Monday)
4. Independence Day (July 4 - varies)
5. Labor Day (Monday)
6. Veterans Day (varies)

7. Thanksgiving Day (Thursday)
8. Day after Thanksgiving (Friday)
9. Christmas Day (December 25 - varies)
10. New Year's Day (January 1 – varies)

3.0 FSP Management and Representatives

RCTC has entered into a Memorandum of Understanding with the California Department of Transportation (Caltrans) and CHP, in order to provide peak hour freeway service patrols on selected freeway segments for traffic mitigation, as well as air quality improvement within Riverside County. RCTC, Caltrans, and CHP will jointly oversee the service. RCTC serves as the contract administrator and funding partner; Caltrans provides oversight; and CHP is responsible for the daily operations and field supervision of the program.

Authority for FSP derives from (a) Section 21718 (A) of the California Vehicle Code, which allows FSP trucks supervised by the CHP to stop on freeways for the purpose of rapid removal of impediments to traffic, and (b) Article 3, Section 91, of the Streets and Highways Code, which states that Caltrans is responsible for traffic management and removing impediments from the highways, as well as improving and maintaining the state highways.

3.1 Standard Operating Procedures

The guidelines and policies of the FSP program, which promote a safe work environment and maintain a level of professionalism, are contained in the Standard Operating Procedures (SOP) manual developed by the CHP. The SOP and any updates to it are incorporated into the contract with RCTC, therefore, the Contractor and their vehicle operators are responsible to operate and adhere to the most recent version of the SOP at all times.

Contractor shall be held responsible for maintaining an updated SOP (latest version issued with the RFP), which is incorporated herein by reference. SOP revisions and updates shall be unilaterally issued by RCTC or CHP, as deemed necessary by CHP or the FSP Technical Advisory Committee, and all changes, revisions and updates to the SOP, if any, shall supersede all previous or existing SOPs. A copy of the SOP is included as part of the original RFP package and additional hard or soft copies can be provided to all interested parties upon request.

Vehicle operators or trucks found not to be in compliance with FSP procedures defined in the SOP may be penalized, suspended, and/or terminated from the FSP program and the company may also be assessed liquidated damages amounts for said violations as described herein. Liquidated damages are inclusive of other remedies at law and/or those described under the terms of the contract.

Refer to Proposal Pricing Form for further details on violations and penalties.

4.0 Vehicles

4.1 Tow Truck Requirements

Primary and back-up FSP tow trucks shall be exclusively dedicated to the FSP program during FSP service hours of operation. They are not required to be exclusive during non-FSP hours. All vehicle maintenance activities shall be conducted during non-Service hours. When conducting the Services on a FSP shift, the CONTRACTOR's vehicle shall display all FSP markings and the vehicle operator shall wear a FSP uniform.

The FSP will utilize, at a minimum, Class A tow trucks with a minimum gross vehicle weight rating of 14,000 pounds, dual wheel chassis, and a four (4) ton recovery equipment rating. All trucks proposed for use in the FSP Program must be less than one (1) year old with a maximum of 50,000 miles on the chassis and working parts of the truck at the onset of the contract, free of any mechanical defects or physical damage and have a clear (non-salvage) title. Extenuating circumstances dictating departure from this specification should be at the consensus of the local FSP partners. The CHP, in conjunction with Caltrans or the regional transportation agency, should verify the original purchase dates to ensure compliance. Lastly the truck shall have seating capabilities for five (5) adults.

All FSP tow trucks must be Department of Transportation (DOT) compliant, as well as California Air Resources Board (CARB) compliant. This includes an engine that has been certified by CARB, as required by law in the State of California. Any tow truck that is utilized for the FSP Program must comply with emission standards set forth by DOT and CARB, as well as all local, state, and federal laws associated with that truck and as outlined in the RFP.

Each tow truck shall be equipped in accordance with the CHP's Freeway Service Patrol Manual and Standard Operating Procedures Manual and, at a minimum, shall include the following:

a. Equipment & Supplies (Required)

1. Wheel lift towing equipment, with a minimum lift rating of 4,000 pounds, with wheel lift extended. All tow equipment shall include proper safety straps.
2. Boom with a minimum static rating of 8,000 pounds.
3. Winch Cable - 8,000 pound rating on the first layer of cable.
4. Wire rope – 100ft., 3/8 inch diameter, 6 x19 or OEM specifications.
5. Two (2) Tow chains 3/8" alloy or OEM specs., J/T hook assembly.
6. Rubber faced push bumper.
7. Mounted spotlight capable of directing a beam both front and rear.
8. Amber warning lights with front and rear directional flashing capability, with on/off switch in cab.
9. Public address system.

10. Power outlets ("hot boxes"), front and rear mounted, with outlets compatible to 12-volt booster cables.
11. Heavy duty, 60+ amp battery.
12. Radios with the ability to communicate with the Contractor's base office (Verizon).
13. Programmable scanners capable of scanning between the 39 and 48 MHz used by the CHP. Scanners need to be capable of scanning CHP Police frequencies, and must be mounted for safety concerns.
14. Suitable cab lighting.
15. Trailer hitch capable of handling a 1 7/8-inch ball and 2 inch ball.
16. One (1) 1 7/8-inch ball and one (1) 2 inch ball.
17. Rear work lights. (4)
18. Safety chain D-ring or eyelet mounted on rear of truck.
19. Motorcycle straps. (2)
20. Diesel fuel in plastic jerry cans. (5 gallons)
21. Unleaded gasoline in plastic jerry cans. (5 gallons)
22. Safety chains min. 5ft. min. 5/16" Alloy or OEM Spec. (2)
23. First aid kit (small 5" x 9"). (1)
24. Fire extinguisher aggregate rating of at least 4 B-C units. (1)
25. Pry bar - 36" or longer. (1)
26. Radiator water in plastic container. (5 gallons)
27. 4" x 4" x 48" wooden cross beam. (1)
28. 4" x 4" x 60" wooden cross beam. (1)
29. 24" wide street broom. (1)
30. Square point shovel. (1)
31. Highway flares 360 minutes min.
32. Cones 18" height, reflectorized with tape.
33. Hydraulic Floor Jack: 2-ton AND
34. 2-ton jack stand
35. Wheel chock
36. Four-way lug wrench (1 std.). (1)
37. Four-way lug wrench (1 metric). (1)
38. Rechargeable compressor or refillable air bottle, hoses and fittings to fit tire valve stems, 100 psi capacity. (1)
39. Flashlight and spare batteries. (1)
40. Flashlight and spare batteries or charger (1)
41. Tail lamps/stop lamps, portable remote with extension cord. (1 set)
42. Booster cables, 25 ft. long minimum, 3-gauge copper wire with heavy-duty clamps and one end adapted to truck's power outlets. (1 set)
43. Funnel, multi-purpose, flexible spout. (1)
44. Pop-Up dolly (with tow straps), minimum rating of 3,900 pounds portable for removing otherwise un-towable vehicles. (1)
45. Dolly steel pry bar (1)
46. 5-gallon can with lid filled with clean absorb-all. (1)

- 47. Empty trash can with lid (5 gallon). (1)
- 48. Lock out set. (1)
- 49. Safety glasses.

b. Equipment & Supplies (Recommended)

- 50. Towing slings rated at 3,000 pounds minimum. **RECOMMENDED**
- 51. Sling crossbar spacer blocks. **RECOMMENDED** (2)

c. Tools (Required)

Each FSP truck will be required to have a toolbox with the following minimum number of tools/supplies. A tool kit for small equipment items is required. The list may be supplemented at the Contractor's option and expense.

- 52. Screwdrivers--
 - i. Standard-1/8", 3/16", 1/4", 5/16" (1 each, min).
 - ii. Phillips head - #1 and #2 (1 each, min).
- 53. Needle nose pliers (1)
- 54. Adjustable rib joint pliers, 2" min. capacity (1)
- 55. Crescent wrench - 8" (1)
- 56. Crescent wrench - 12" (1)
- 57. 4 lb. hammer (1)
- 58. Rubber mallet (1)
- 59. Electrical tape, roll (1)
- 60. Duct tape, 20 yard roll (1)
- 61. Tire pressure gauge (1)
- 62. Mechanic's wire (roll) (1)
- 63. Bolt cutters (1)

4.2 Tow Truck Appearance

FSP vehicles bearing the FSP title, logo, and vehicle identification number shall be painted white (includes the hood, fenders, doors, boom, and bed area – the entire truck is to be painted white). No trim is allowed. Lettering shall be in a blocked bold style parallel to the ground and shall be no less than 2 inches by 2 inches and no greater than 4 inches in height. Lettering can only be black in color (no other colors will be permitted). Letters shall be placed on the lower body of the truck toward the cab. Contractor's name on the boom is prohibited. The overall look of the truck must be approved by CHP prior to service implementation; therefore, any questions regarding this policy may be discussed with CHP prior to implementing, as truck compliance with current state FSP standards is required. No other accessory equipment, signage, or advertisements (mud flaps, stickers, employment advertisement, and so forth) shall be mounted or installed without prior CHP approval. This includes, but is not limited to: bras or window tint.

It shall be the vehicle operator's responsibility to place detachable FSP markings on each vehicle during FSP service hours and to remove the detachable markings immediately upon completion of each shift. RCTC will supply each Contractor with the appropriate number of detachable markings for each Beat(s). If a marking is lost or damaged, the Contractor shall be responsible for the cost of the replacement markings. All FSP markings shall be returned at the termination of the contract. The cost of any RCTC and/or Caltrans/CHP supplied item and/or equipment not returned shall be deducted from the Contractor's final payment.

FSP markings, as well as vehicle numbers, shall be required on both sides of all trucks. The detachable markings (magnetic FSP signage) provided by RCTC, must be placed on the center of the driver and passenger doors of the vehicle. The vehicle operator shall be required to keep the title and logos clean, straight, and in readable condition throughout the FSP shift. The operator is also required to keep the magnetic signage flat (do not bend in any way), clean, and out of direct sunlight while being stored during non-FSP operational hours.

4.3 Vehicle Inspections

Prior to commencement of service, the CHP will inspect each vehicle designated for the FSP to ensure that it meets the vehicle specifications and to ensure that it meets or exceeds safety requirements. These inspections will occur prior to the start of service. Succeeding inspections will occur periodically as determined by the CHP. Documentation of the vehicle identification number and successful completion of the inspection will be kept on file at the CHP office and Contractor's base office.

Any unsafe, poorly maintained, or improperly equipped vehicle(s) shall be removed from service, and if discovered to be in such a condition during the shift said vehicle(s) shall be removed from service or repaired as directed by the CHP, and **the Contractor shall be fined three (3) times the hourly contract rate in one (1) minute increments for the remainder of that shift, plus the loss of revenue for the down time.** Spare vehicles, also known as "back-ups", will be required to complete the shifts of vehicles removed from service. The Contractor will be required to have a spare FSP vehicle available for service for the duration of each and every FSP shift.

The vehicle operator shall be required to complete a pre-operation shift inspection log of the vehicle as well as inventory the required equipment prior to the start of each and every shift. The vehicle operator shall be required to complete a driver log, which is used to track the mileage. A shift inspection/inventory log shall be completed by the vehicle operator prior to the start of each shift and be available for inspection. Any item missing must be replaced prior to the start of the shift. All equipment stored on top of the truck shall be secured to the truck.

4.4 Spare/Back-Up Vehicles

The Contractor shall be required to have one FSP Certified Back-Up tow truck available

per Beat during FSP service hours that is in full compliance with the agreement, unless otherwise authorized by RCTC and CHP in writing. During FSP service hours, the spare vehicle shall be kept at the Contractor's yard or staged adjacent to the assigned beat. The FSP Certified Back-Up tow truck should be used when a Certified Primary FSP tow truck is unavailable. The FSP Certified Back-Up tow truck shall meet the same requirements for equipment, set-up, and color as the Certified Primary FSP tow truck. It shall meet all the vehicle equipment specifications. Refer to Attachment H for further details on violations and penalties.

4.5 Vehicle Breakdown and Other Missed Service

The spare vehicle must be in service on the Beat within 45 minutes of the time a permanently dedicated vehicle is taken out of service for any reason. The Contractor shall not be paid for the time period that the contractually required trucks are not in service. **If a vehicle is not made available within the required 45-minute time period, the Contractor shall be fined three (3) times the hourly contract rate in one (1) minute increments for every minute that exceeds the 45 minute replacement period until a certified FSP compliant spare/back-up vehicle is provided. If a truck is not ready due to breakdown at the start of a shift, the fine time will be calculated from the start of the shift until a replacement is placed into service. If the entire shift is missed, Contractor shall be fined for the entire shift at three (3) times the hourly rate times the total minutes for the affected shift.**

Vehicle maintenance shall be performed during non-FSP service hours. In addition, not having a certified FSP "spare or back-up" vehicle operator available is not an allowable excuse for not having a spare (back-up) vehicle on the beat within the 45-minute time period. If the Contractor does not have a dedicated or spare truck on the Beat because a certified FSP vehicle operator is not available, the Contractor shall be fined three (3) times the hourly contract rate in one (1) minute increments until a certified FSP replacement vehicle operator is provided. If the entire shift is missed because a vehicle operator was not available, the Contractor shall be fined for the entire shift at three (3) times the hourly rate times the total minutes for the affected shift.

5.0 Communications Equipment and Computers

5.1 Communications Equipment

Each FSP vehicle shall be equipped with various communication devices that will enable the vehicle operator to communicate with the CHP Communications Center. All vehicles shall be equipped with an Automatic Vehicle Location (AVL) system, radios, and Data Collection Devices (DCD). The AVL system, radio, and DCD equipment shall be purchased, owned, and supplied by RCTC. RCTC shall select the equipment installation vendor.

The Contractor shall be responsible for maintaining the security of the vehicle communication equipment provided by RCTC. The Contractor shall be liable for any damage to the RCTC-owned communication equipment. The Contractor shall also be liable for the full replacement value of the communication equipment installed in the trucks while in the care, custody, and control of the equipment. RCTC will deduct repair fees as well as the full replacement cost of any RCTC equipment due to improper use or negligence by the Contractor, from any payment due to the Contractor. RCTC-supplied vehicle communications equipment shall be returned in full working condition upon contract termination. The cost of any equipment not returned within a reasonable time period shall be deducted from the Contractor's final payment.

Programmable scanners capable of scanning between the 39 and 48 MHz used by CHP shall be supplied by the Contractor and shall be installed (mounted) in all vehicles.

The Contractor is also required to use Verizon wireless cell phones with push-to-talk-plus capability, or equivalent, for communications with the CHP Communications Center and the CHP Field Supervisor. Wireless cell phones shall be purchased and maintained by the Contractor. The Contractor will also be responsible for all operating costs as well. In addition, tow operators are not permitted to take pictures, video, or capture any other images while performing FSP duties during FSP operational hours. These actions will not be tolerated and a vehicle operator may be terminated if it is discovered they are doing so.

In addition, any input of data into the DCD shall not be allowed while the vehicle is being operated/driven. Use of other devices while driving/operating a vehicle such as cell phones is prohibited by California State Law.

The FSP vehicles shall be equipped with a public address system. The public address system shall have the capability for the driver of the disabled vehicle to hear instructions transmitted from the cab of the FSP vehicle when the FSP vehicle is directly to the rear of the disabled vehicle.

5.2 Computer Equipment

The Contractor must have and maintain a desktop computer workstation with high-speed internet access and email to communicate with RCTC staff.

The Contractor must ensure that the DCD equipment is inspected and cleaned on a quarterly basis, or more frequently if needed. All DCD equipment should have the exterior protective case cleaned (protective outside case) and screen protector shall be inspected for functionality and serviceability. Worn items shall be immediately reported to RCTC.

All DCD equipment must be kept in a secure location. **During non-FSP operational hours, DCD equipment shall not be left in a tow vehicle or go home with a vehicle operator or anyone else.** All DCD equipment must be in a designated charging area

at the tow operator's facility during non-FSP operational hours. The DCD equipment shall always have enough charge to complete each shift. In order to reduce instances of technology glitches, the DCD equipment shall be turned off/turned on at least once per week. DCD equipment is to be with the vehicle operator in their FSP truck during FSP operational hours. Any other location shall not be permitted.

The Contractor shall immediately report any issues with the workstation or the DCD equipment to the RCTC FSP Program Manager or one of the FSP CHP Officers. Contractor is directly responsible to ensure their computer workstation is operating and **has internet access at all times** – this is a contract requirement.

The Contractor shall provide access to the DCD equipment for RCTC staff, or their designated designee, at **any time** during the course of the Contract. **In addition, the Contractor shall also make the workstation available to RCTC, or its designee, 30 calendar days prior to the start of the new service.**

The Contractor shall provide an annual inspection report to RCTC indicating the status of all equipment. RCTC will provide the submittal form. Tow operators should consider the accurate completion and timely return of this form as part of their contract requirements.

5.3 Equipment Tampering

Tampering with FSP communication/tracking equipment so that it does not function properly to RCTC's specifications, and/or is disconnected or moved (without FSP Management authorization) from its original installed location is strictly prohibited. This includes but is not limited to: breaking evidence tape/connection sealer on equipment connections, cutting wires or cables, moving mounted equipment (speakers, microphones, antennas, etc.), rerouting any wiring, disconnecting any connectors, Contractor/subcontractor unintentionally altering equipment or connections to equipment during vehicle maintenance or repair, or interfering with the operations of the equipment.

If tampering is suspected, FSP Management may conduct an inspection of the equipment on the Beat or the vehicle may be sent to a designated location determined by FSP Management.

1. If tampering is found while the vehicle is used during FSP operational hours, the vehicle operator and vehicle will be immediately taken out of service and the Contractor shall be fined in one (1) minute increments at three (3) times their hourly rate, until such time that the back-up truck is deployed. Please note that if tampering is discovered, the penalties (three times the hourly rate in one minute increments) shall begin immediately upon the discovery of the tampering. The normal 45-minute back-up truck time allowance will not be considered "non-penalty" time under these circumstances. The penalties shall begin immediately upon the tampering being discovered.

2. If the vehicle is suspected to have equipment that has been tampered with, it may be sent to a designated location determined by FSP Management and CHP for an inspection. If tampering is found, the Contractor will be retroactively fined three (3) times the hourly rate in one (1) minute increments from the time the tampering was first suspected. The penalties will continue until a certified FSP back-up truck is deployed. The normal 45-minute back-up truck time allowance will not be considered “non-penalty” under these circumstances.

Tampering Repairs

If tampering is discovered during FSP operational hours, the vehicle will be taken out of service and will remain out of service until the repair and the documentation can be completed by the FSP Program designated technician. FSP Management determines the designated technician. The transportation, labor, and repair costs will be the responsibility of the Contractor. Costs incurred to repair and document the equipment will be deducted from the Contractor monthly invoice.

Tampering Penalties

The Contractor will also be assessed a \$250 fine (whether the tampering is discovered while on the Beat, or if it was suspected and later confirmed) per incidence on their monthly invoice. If it is determined that the vehicle operator tampered with the equipment, the vehicle operator will be suspended for a minimum of 30 days for the initial tampering offense and subject to termination from the FSP Program for any subsequent tampering violations.

6.0 Contractor Responsibilities

6.1 Appearance at Hearings

If and when required by SAFE, Contractor shall render assistance at public hearings or other meetings related to the performance of the Services.

6.2 Damage Complaints

Upon receiving a damage complaint from a motorist assisted by the Contractor, that the Contractor damaged their vehicle while lending assistance, the Contractor shall notify CHP immediately regarding the nature of the damage complaint and its disposition. The Contractor shall reply to the motorist by telephone within twenty-four (24) hours of receiving the damage complaint notification from CHP. If necessary, the Contractor shall send either his or her authorized representative or his or her insurance company representative to inspect the vehicle and complete an incident report within forty-eight (48) hours after receiving the damage complaint. If the investigation shows that damage to the vehicle could have been caused by the Contractor, the Contractor shall negotiate in good faith to try and resolve the issue and shall report to CHP the result of the negotiations. All complaints shall be resolved within a reasonable time-period after being received.

6.3 Complaint Review Committee

The FSP Technical Advisory Committee ("FSP TAC") is composed of voting members from CHP, SAFE, and Caltrans. Voting members of the FSP TAC are hereby designated as the members of the Damage Complaint Review Committee ("DCRC"). If the DCRC finds that justifiable complaints are not resolved within a reasonable timeframe, it can recommend that payment to the Contractor in the amount of the damage claim may be deducted from the Contractor monthly invoice.

6.4 Trend Meetings

Contractor shall attend, or send a designated management-level representative, to all trend meetings (i.e. required FSP TAC meeting which meets every other month). These trend meetings will encompass focused and informal discussions concerning, but not limited to: scope, Services, schedule, current progress of Services, relevant cost issues, and future objectives. Contractor shall be responsible for having a representative attend all meetings (i.e. FSP TAC meetings) that has the ability to make management-level decisions on the behalf of the Contractor. If the Contractor cannot have a management-level representative at a meeting, Contractor shall notify SAFE and CHP prior to the meeting. Management-level attendance at these meetings shall be considered part of the Contractor's contractual responsibility. Meetings are scheduled, and Contractor will be notified of such schedule, no later than three (3) working days prior to the meeting.

7.0 Vehicle Operators

7.1 Operator Qualifications and Performance

All potential vehicle operators shall be required to have a safe driving record and, at a minimum, a valid Class C driver's license. All vehicle operators shall be 18 years of age or older at the time of background check. Potential vehicle operators shall be subject to driving record and criminal background checks through the California Highway Patrol. Potential vehicle operators shall be sufficiently experienced in the tasks of tow truck operations and proficient with all required Freeway Service Patrol equipment to provide safe and proper service. Any certified vehicle operator from other FSP areas will be evaluated on a case-by-case basis. All potential vehicle operators must be capable of demonstrating their tow operating abilities prior to formal CHP training, also known as proficiency testing.

Additionally, the vehicle operators will be required to exercise good, sound judgment in carrying out their duties. Vehicle operators shall be required to inform the CHP Communications Center any time they leave the assigned Beat. This includes breaks and replenishing expendable items, such as: gasoline, fire extinguisher, etc. The vehicle operator shall be required to immediately notify the CHP Communications Center upon a tow truck breakdown.

FSP vehicle operators will be responsible for accurately entering the required data into DCD equipment every shift. Each FSP vehicle operator shall complete an inspection worksheet prior to the commencement of driving the tow truck and a mileage log prior to

beginning service on the Beat. The FSP vehicle operator shall be required to complete an assist record for each incident. Each assist record should be accurate. Contractors or Operators providing false or misleading information to FSP Management shall be subject to disciplinary action and will be handled on a case-by-case basis.

FSP vehicle operators shall always complete the required procedures per the SOP when handling required forms. No duplicate survey numbers should be entered into the DCD equipment at any time. Vehicle operators are required to complete in their entirety the Release of Liability form and Damage Release form when applicable. These completed forms should be handed in to RCTC at a minimum every 60 days. If it is discovered that a vehicle operator has entered duplicate survey numbers, not properly completed the release forms, or not turned the release forms in timely, the Contractor may be subject to penalties as outlined in Proposal Pricing Form.

CHP, Caltrans, and RCTC maintain strict drug and alcohol policies. Contractors shall have an alcohol and drug program that includes at a minimum, a drug and alcohol free workplace policy and an employee alcohol/drug-testing program. Any FSP vehicle operator found working under the influence of drugs or alcohol shall be immediately removed from the FSP program by the Contractor. The Contractor shall be responsible for providing a certified replacement vehicle operator for that vehicle.

The Contractor shall be an active participant in the **DMV Pull Notice Program**.

If a vehicle operator is convicted of a crime involving a stolen vehicle, stolen property, violence, drugs, or moral turpitude, fraud related to the towing business, or misdemeanor or felony driving while under the influence of alcohol or a drug, the Contractor shall permanently remove that vehicle operator from duties under the FSP program. If a vehicle operator is charged with any of the above crimes, the Contractor shall immediately suspend that vehicle operator from duties under this program pending the outcome of the criminal case. If the vehicle operator is not convicted, or is ultimately convicted of a lesser crime not described above, RCTC retains the right to have the Contractor remove that vehicle operator from the duties under the FSP program.

7.2 Operator Training

At the Contractor's expense, all company owners, FSP vehicle operators, and back-up vehicle operators shall be required to present a certificate of completion of a SHRP 2/TIMS training course and to complete the CHP two-day training program which costs approximately \$50.00 per vehicle operator (fee is for the DL64 Tow Truck Driver Certificate and fingerprinting). Contractors shall pay all FSP operators and back-up vehicle operators for attending the training. No vehicle operator will be allowed to begin patrolling without meeting the requirements set forth in the SOP. Any vehicle operator who is found on patrol not meeting the requirements may be prohibited from further FSP service and the Contractor's contract may be terminated immediately.

Mandatory CHP refresher training classes shall be attended. A **minimum** of four (4) hours refresher training per year shall be required (at Contractor's expense). **Contractors shall pay all FSP vehicle operators and back-up vehicle operators for attending the required training.**

Vehicle operators will be required to utilize DCD equipment to input information about mileage, inspection, and each assist, which will include: location, vehicle make, model, license number, type of assistance provided, etc. Vehicle operators will be trained on using DCD equipment to enter data.

7.3 Operator Driving Record and Criminal History Check

As required by California Vehicle Code Section 2340, all applicants and owners are required to have a driver's license and criminal history check. Only after a completed CHP 234F is received and accepted by CHP, a driver's license and preliminary criminal history check will be performed.

The driver's license check will consist of confirming that the applicant has a valid driver's license and the applicant's point count is within standards set forth in this SOP (refer to Chapter 11, Annex A).

The preliminary criminal history check will consist of a preliminary background check to determine if the applicant meets the criteria for a California Tow Truck Driver Certificate as outlined in California Public Resources Code Section 5164, California Vehicle Code Section 13377 and the FSP Contract. In addition, RCTC or the CHP may, in its sole discretion, require an Employer to replace any vehicle operator or reject a potential vehicle operator who it determines is not suitable to represent the FSP Program with the public. If the applicant passes the preliminary criminal history check, the applicant shall submit to fingerprinting.

Driver's license and preliminary criminal history checks will be completed by CHP within ten (10) working days of the acceptance of a CHP 234F.

7.4 Vehicle Operator Uniform

It shall be the responsibility of the Contractor to provide the vehicle operator with specified uniforms, black protective toe boots, nameplate, gloves and other equipment. The equipment includes navy blue coveralls or navy blue shirts and pants. If coveralls are worn, they shall have a collar with a zip front. Optionally, drivers may wear a standard navy blue (long-sleeve only) uniform shirt, with a fluorescent orange (must be only 2.5" wide) trim, with a ½" silver reflective tape down the middle. This allowed reflective tape must be on both sleeves. All uniforms shall be clean, properly maintained, and replaced whenever excessively worn.

Sleeves and pant legs shall be moderately tapered to avoid excessive fullness.

A safety vest with reflective stripes shall be worn and supplied by RCTC. RCTC will

supply vests with the FSP logo patches already sewn on per CHP's required patch placement locations. A FSP logo patch is not required to be sewn on the navy blue FSP vehicle operator uniform.

A detachable brass or gold nameplate shall be worn with the first initial of the first name and full last name. Letters shall not exceed ½" tall. The nameplate shall be worn above the right chest pocket on the safety vest. The Contractor is responsible for obtaining FSP CHP approval of the driver nameplates, and the Contractor is responsible for the purchase and replacement of the FSP vehicle operator nameplate.

All FSP vehicle operators shall wear general duty black work boots with protective (steel or composite) toe.

During cold weather, a navy blue sweater or sweatshirt may be worn under the uniform shirt/coveralls. As an option, a navy blue jacket may also be worn, if it meets all the uniform specifications and is worn under the safety vest. Rain gear, if worn, shall be waterproofed material and navy blue or yellow in color.

Hats, if worn, shall be baseball-type caps and navy blue in color. An "FSP" logo patch may be sewn on the hat above the brim. No other logos/names shall be accepted. A beanie may also be worn which must be navy blue in color and worn only with a jacket or long sleeve shirt under the vest.

Contractor should refer to the most current SOP to ensure they are following the most recent requirements. SOP revisions and updates shall be unilaterally issued by RCTC, as deemed necessary by RCTC management, and all changes, revisions and updates to the SOP, if any, shall supersede all previous or existing SOPs. A copy of the SOP is included as part of the original RFP package.

7.5 Local Office

The Contractor shall provide a local office for contract administration purposes. This office shall be staffed by either the Contractor or a person who has the authority to conduct business and make decisions on behalf of the Contractor. The office shall have business hours coinciding with Contractor's Beat(s) hours of operation. Through the Proposal document shown in the Contractor Representative Form, the Contractor shall designate representatives who will be available at the office during hours of operation to make decisions on behalf of the Contractor. The office shall be established within close proximity to the Contractor's Beat(s) and the County of Riverside. Also note in the Scope of Services, Section 4.4, **a backup vehicle and a certified FSP vehicle operator must be available within a 45-minute request of the Beat area.**

This requirement may also determine if the local office is close enough to satisfy the requirements under this section.

The Contractor shall also provide **telephone and email** through which he/she, or a responsible representative who has the authority to conduct business and make

decisions on behalf of the Contractor, can be contacted during the non-service hours of operation for the length of the contract. During non-business hours, an answering machine provided at the Contractor's expense, shall be available to log calls, take complaints, etc. **An email address that is monitored daily** shall be provided for notification purposes during operational and non-service hours. The Contractor will be responsible for having a company representative monitor and review messages/notices on a daily basis.

7.6 Remedies and Liquidated Damages

RCTC has a need to deal contractually with a range of failures by Contractors to meet contractual standards and requirements short of suspension or termination. Failure to meet contractual standards and requirements constitute a default under the contract and is subject to the various remedies provided in the contract, up to and including termination of the contract.

It is clear that any default that is related to service or contractor's readiness for service will either degrade service or lead to the degradation of service. The failure to meet contractual standards and requirements, therefore, causes damages to the FSP program and its participants (RCTC, CHP and Caltrans) and to the public being served by the FSP program. Because of the public service nature of the mission of the FSP, described generally in the Standard Operating Procedures (SOP), to keep traffic and commerce flowing on the regional freeways, the damages arising from contractor's failure to meet the contractual standards and requirements are impractical or extremely difficult to ascertain on an individual basis.

The contract has therefore established a series of remedies to attempt to deal with a range of defaults. The most egregious default will result in suspension or termination. Lesser defaults will result in the assessment of liquidated damages. These lesser remedies have been described in the SOP as fines, violations or penalties. This is not a correct characterization of the intent of the remedies. The remedies arise because the contractor is in default and the FSP and the public it serves is damaged by that default. The remedies are to compensate FSP for its damages and to encourage compliance with performance requirements of the contract.

EXHIBIT “B”

Compensation and Payment

Regular Rate				
Rate #	Evaluation Criteria (Average Fuel Cost Per Gallon)	Year 1 & 2 Rate	Year 3 & 4 Rate	Year 5 Rate
Base Rate	\$0.00	\$87.40	\$90.46	\$93.62
1	\$0.01 - \$2.99	\$ 112.54	\$ 116.61	\$ 120.83
2	\$3.00 - \$3.99	\$ 113.54	\$ 117.61	\$ 121.83
3	\$4.00 - \$4.99	\$ 114.54	\$ 118.61	\$ 122.83
4	\$5.00 - \$5.99	\$ 115.54	\$ 119.61	\$ 123.83
5	\$6.00 - \$6.99	\$ 116.54	\$ 120.61	\$ 124.83
6	\$7.00 - \$7.99	\$ 117.54	\$ 121.61	\$ 125.83
7	\$8.00 - \$8.99	\$ 118.54	\$ 122.61	\$ 126.83
8	\$9.00 - \$9.99	\$ 119.54	\$ 123.61	\$ 127.83
9	\$10.00+	\$ 120.54	\$ 124.61	\$ 128.83
Average Rate		\$ 116.54	\$ 120.61	\$ 124.83

Rates for Construction FSP / Extra Work Using Existing Vehicles				
Rate #	Evaluation Criteria (Average Fuel Cost Per Gallon)	Year 1 & 2 Rate	Year 3 & 4 Rate	Year 5 Rate
Base Rate	\$0.00	\$ 96.14	\$ 99.50	\$ 102.99
1	\$0.01 - \$2.99	\$ 124.19	\$ 128.67	\$ 133.32
2	\$3.00 - \$3.99	\$ 125.19	\$ 129.67	\$ 134.32
3	\$4.00 - \$4.99	\$ 126.19	\$ 130.67	\$ 135.32
4	\$5.00 - \$5.99	\$ 127.19	\$ 131.67	\$ 136.32
5	\$6.00 - \$6.99	\$ 128.19	\$ 132.67	\$ 137.32
6	\$7.00 - \$7.99	\$ 129.19	\$ 133.67	\$ 138.32
7	\$8.00 - \$8.99	\$ 130.19	\$ 134.67	\$ 139.32
8	\$9.00 - \$9.99	\$ 131.19	\$ 135.67	\$ 140.32
9	\$10.00+	\$ 132.19	\$ 136.67	\$ 141.32
Average Rate		\$ 128.19	\$ 132.67	\$ 137.32

Agreement No. 20-45-030-01

**AMENDMENT NO. 1
TO AGREEMENT FOR FREEWAY EMERGENCIES,
FOR FREEWAY SERVICE PATROL FOR BEAT #25
WITHIN RIVERSIDE COUNTY WITH
ROYAL COACHES & AUTO BODY TOWING**

1. PARTIES AND DATE

- 1.1 This Amendment No. 1 is made and entered into as of _____, 2023 by and between the Riverside County Transportation Commission, a public entity ("COMMISSION"), acting as the Riverside County Service Authority for Freeway Emergencies (referred to herein as "SAFE"), and Royal Coaches & Auto Body Towing, a California corporation (referred to herein as "CONTRACTOR"). SAFE and CONTRACTOR are sometimes individually referred to herein as "Party" and collectively as "Parties".

2. RECITALS

- 2.1 SAFE and Royal Coaches & Auto Body Towing entered into Agreement No. 20-45-030-00, dated May 27, 2020, for the purpose of providing Freeway Service Patrol ("FSP") services on Beat No. 25 within Riverside County (the "Master Agreement").
- 2.2 SAFE and CONTRACTOR now desire to amend the Master Agreement in order to add funds to the contract balance to accommodate the shortfall balance created by FSP Services provided by CONTRACTOR on Beat Nos. 1 & 2.

3. TERMS

- 3.1 The maximum compensation to be provided under this Amendment No. 1 shall not exceed Three Hundred Eighty-Six Thousand, Nine Hundred Dollars (\$386,900).
- 3.2 The maximum not to exceed value of the Master Agreement, as amended by this Amendment No. 4 shall not exceed Two Million, Twelve Thousand, Three Hundred Seventy-Three Dollars (\$2,012,373).
- 3.3 Except as amended by this Amendment No. 1, all provisions of the Master Agreement, as previously amended, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment No. 1.

- 3.4 This Amendment shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.5 The recitals set forth above are true and correct and are incorporated into this Amendment No. 1 by reference.
- 3.6 This Amendment No. 1 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 1 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 1 for all purposes. This Amendment No. 1 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE TO
AGREEMENT NO. 20-45-030-01**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

By: _____
Anne Mayer, Executive Director

**ROYAL COACHES AUTO BODY &
TOWING**

Signature

Name

Title

APPROVED AS TO FORM

ATTEST:

By: _____
Best Best & Krieger
General Counsel

By: _____

Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to RCTC.

Agreement No. 18-45-132-04

**AMENDMENT NO. 4
TO AGREEMENT FOR FREEWAY EMERGENCIES,
FOR FREEWAY SERVICE PATROL FOR BEAT #20, #34
AND #35 WITHIN RIVERSIDE COUNTY
WITH OJ
BARKA, INC.**

1. PARTIES AND DATE

- 1.1 This Amendment No. 4 is made and entered into as of _____, 2023 by and between the Riverside County Transportation Commission, a public entity ("COMMISSION"), acting as the Riverside County Service Authority for Freeway Emergencies (referred to herein as "SAFE"), and OJ Barka, Inc., a California corporation (referred to herein as "CONTRACTOR"). SAFE and CONTRACTOR are sometimes individually referred to herein as "Party" and collectively as "Parties".

2. RECITALS

- 2.1 SAFE and Coastal Pride Towing, Inc. entered into Agreement No. 18-45- 132-00, dated August 21, 2018, for the purpose of providing Freeway Service Patrol ("FSP") services on Beat No. 20, 34, & 35 within Riverside County (the "Master Agreement").
- 2.2 SAFE, Coastal Pride Towing, Inc. and CONTRACTOR entered into an Assignment and Assumption Agreement dated May 6, 2019 (referred to herein as Amendment No. 1) in order to assign the Master Agreement from Coastal Pride Towing, Inc. to CONTRACTOR.
- 2.3 SAFE and CONTRACTOR entered into Amendment No. 2 to the Master Agreement, dated August 28, 2021, to amend the Master Agreement in order to exercise the renewal option to extend the term of the contract, and to acknowledge the right of SAFE to waive penalties, imposed pursuant to the terms of the Master Agreement, in its discretion.
- 2.4 SAFE and CONTRACTOR entered into Amendment No.3 to the Master Agreement, dated September 28, 2022, to amend the Master Agreement in order to add fuel relief reimbursement, well as allocate contingency funds authorized by the COMMISSION, and required because of extra construction FSP Services provided by CONTRACTOR on I-10.
- 2.5 SAFE and CONTRACTOR now desire to amend the Master

Agreement in order to add funds to the contract balance to accommodate the shortfall balance created by the extra construction FSP Services provided by CONTRACTOR on I-10. Although the contingency amount was exercised as part of Amendment No. 3 for this purpose, the amount was not enough to cover the deficit.

3. TERMS

- 3.1 The maximum compensation to be provided under this Amendment No. 4 shall not exceed Two Hundred Eighty-Five Thousand, Five Hundred Dollars (\$285,500).
- 3.2 The maximum not to exceed value of the Master Agreement, as amended by this Amendment No. 4 shall not exceed Three Million, Sixty-One Thousand, One Hundred Four Dollars (\$3,061,104).
- 3.3 Except as amended by this Amendment No. 4, all provisions of the Master Agreement, as previously amended, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the parties under this Amendment No. 4.
- 3.4 This Amendment shall be governed by the laws of the State of California. Venue shall be in Riverside County.
- 3.5 The recitals set forth above are true and correct and are incorporated into this Amendment No. 4 by reference.
- 3.6 This Amendment No. 4 may be signed in counterparts, each of which shall constitute an original.
- 3.7 A manually signed copy of this Amendment No. 4 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 4 for all purposes. This Amendment No. 4 may be signed using an electronic signature.

[Signatures on following page]

**SIGNATURE PAGE TO
AGREEMENT NO. 18-45-132-04**

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first herein above written.

**RIVERSIDE COUNTY
TRANSPORTATION COMMISSION**

OJ BARKA, INC., a California Corporation

By: _____
Anne Mayer, Executive Director

Signature

Name

Title

APPROVED AS TO FORM

ATTEST:

By: _____
Best Best & Krieger
General Counsel

By: _____

Its: _____

* A corporation requires the signatures of two corporate officers.

One signature shall be that of the chairman of board, the president or any vice president and the second signature (on the attest line) shall be that of the secretary, any assistant secretary, the chief financial officer or any assistant treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to RCTC.



AGENDA ITEM 8

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Sergio Vidal, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Quarterly Sales Tax Analysis

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Receive and file the sales tax analysis for the Quarter 2, 2022 (2Q 2022).

BACKGROUND INFORMATION:

At its December 2007 meeting, the Commission awarded an agreement with MuniServices, LLC (MuniServices), an Avenu Company, for quarterly sales tax reporting services plus additional fees contingent on additional sales tax revenues generated from the transactions and use tax (sales tax) audit services. As part of the recurring contracts process in June 2018, the Commission approved a five-year extension through June 30, 2023. The services performed under this agreement pertain to only the Measure A sales tax revenues.

Since the commencement of these services, MuniServices submitted audits, which reported findings and submitted to the California Department of Tax and Fee Administration (CDTFA), for review and determination of errors in sales tax reporting related to 1,561 businesses. Through 1Q 2022, the CDTFA approved \$15,364,392 of cumulative sales tax revenues recovered for the Commission. If CDTFA concurs with the error(s) for the remaining claims, the Commission will receive additional revenues; however, the magnitude of the value of the remaining findings was not available. It is important to note that while the recoveries of additional revenues will be tangible, it will not be sufficient to alter the overall trend of sales tax revenues.

MuniServices provided the Commission with the Quarterly Sales Tax Digest Summary report for 2Q 2022. Most of the 2Q 2022 Measure A sales tax revenues were received in the third quarter of calendar year 2022, during June 2022 through August 2022, due to a lag in the sales tax calendar. The summary section of the 2Q 2022 report is attached and includes an overview of California's economic outlook, local results, historical cash collections analysis by quarter, top 25 sales/use tax contributors, historical sales tax amounts, annual sales tax by business category, and five-year economic trend (general retail).

Taxable transactions for the top 25 contributors in Riverside County generated 26.9 percent of taxable sales for the benchmark year ended 2Q 2022, slightly less than the benchmark year ended 2Q 2021 at 27.1 percent. The top 100 tax contributors generated 40.8 percent for the benchmark year ended 2Q 2022, comparable to the 40.6 percent for the benchmark year ended 2Q 2021.

In the Economic Category Analysis below, all six categories experienced new highs in the 2Q 2022 benchmark year compared to the prior eight benchmark years.

ECONOMIC CATEGORY ANALYSIS									
% of Total / % Change	RCTC	State Wide	Orange County	Riverside County	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	North Coast
General Retail	29.3 / 8.6	28.1 / 11.2	26.6 / 19.9	34.1 / 29.1	24.2 / -12.5	28.4 / 19.7	37.6 / 11.8	26.4 / 15.4	26.5 / -25.7
Food Products	16.2 / 24.4	20.1 / 18.9	20.6 / 28.0	18.0 / 14.8	20.9 / -2.2	15.7 / 19.2	14.1 / 11.5	22.1 / 28.3	17.3 / -7.1
Transportation	24.7 / 22.1	24.6 / 11.4	25.2 / 16.8	25.3 / 16.0	20.7 / -21.1	27.7 / 13.1	22.9 / 11.5	25.3 / 21.6	29.9 / -7.2
Construction	10.9 / 14.9	10.1 / -0.5	8.5 / 6.6	12.3 / -0.2	10.9 / -21.5	13.4 / 14.0	10.3 / 1.8	8.9 / 6.4	14.3 / -23.0
Business to Business	14.9 / 11.8	16.2 / 3.7	18.3 / 13.8	9.8 / -0.3	22.1 / -15.6	13.8 / 11.9	14.4 / 8.6	16.1 / 12.3	11.2 / 3.7
Miscellaneous	4.1 / 14.1	1.0 / 6.2	0.9 / 10.3	0.6 / -11.2	1.2 / -19.1	1.0 / 3.3	0.7 / 7.2	1.1 / 19.5	0.8 / -9.9
Total	100.0 / 15.5	100.0 / 10.0	100.0 / 18.1	100.0 / 15.4	100.0 / -14.4	100.0 / 15.7	100.0 / 10.1	100.0 / 18.2	100.0 / -14.3

General Retail: Apparel Stores, Department Stores, Furniture/Appliances, Drug Stores, Recreation Products, Florist/Nursery, and Misc. Retail

Food Products: Restaurants, Food Markets, Liquor Stores, and Food Processing Equipment

Construction: Building Materials Retail and Building Materials Wholesale

Transportation: Auto Parts/Repair, Auto Sales - New, Auto Sales - Used, Service Stations, and Misc. Vehicle Sales

Business to Business: Office Equip., Electronic Equip., Business Services, Energy Sales, Chemical Products, Heavy Industry, Light Industry, Leasing, Biotechnology, I.T. Infrastructure, and Green Energy

Miscellaneous: Health & Government, Miscellaneous Other, and Closed Account Adjustments

An analysis of sales tax performance through 2Q 2022 is attached and illustrates consistent cycles for sales tax performance for most of the economic categories since 2Q 2017, apart from COVID-19 impacts for some categories.

For the top 10 economic segments (miscellaneous retail, auto sales – new, restaurants, department stores, service stations, building materials – wholesale, food markets, building materials – retail, apparel stores, and heavy industry) during the past eight benchmark year quarters, sales tax reached a new high point in 2Q 2022. The economic segments represent 73.3 percent of the total sales tax receipts. For the remaining 21 economic segments representing 26.7 percent of total sales tax receipts, 15 economic segments representing 23.8 percent of total sales tax receipts reached new high points in the benchmark year 2Q 2022.

In the Economic Segment Analysis below, auto sales – new has been in the top economic segments since 2014. Restaurants had been in the top economic segments since 2014 but was replaced by miscellaneous – retail beginning in the 3Q 2020 benchmark year. Miscellaneous – retail includes online retailers and has been a large contributor to sales/use tax in Riverside County during the COVID-19 pandemic. Department stores had been in the top economic segments since 2016 but was replaced by restaurants in the 3Q 2021 benchmark year.

ECONOMIC SEGMENT ANALYSIS									
	RCTC	State Wide	Orange County	Riverside County	S.F. Bay Area	Sacramento Valley	Central Valley	South Coast	North Coast
Largest Segment	Miscellaneous Retail	Restaurants	Restaurants	Miscellaneous Retail	Restaurants	Auto Sales - New	Miscellaneous Retail	Restaurants	Service Stations
% of Total / % Change	11.7 / 8.3	14.1 / 29.0	14.7 / 36.2	16.5 / 71.0	15.0 / 11.2	11.4 / 5.0	13.9 / 43.3	15.9 / 37.9	11.3 / 21.9
2nd Largest Segment	Auto Sales - New	Auto Sales - New	Auto Sales - New	Auto Sales - New	Auto Sales - New	Miscellaneous Retail	Department Stores	Auto Sales - New	Auto Sales - New
% of Total / % Change	11.6 / 17.0	11.7 / 3.9	14.0 / 12.2	11.7 / 12.0	10.2 / -30.4	10.9 / 50.6	11.0 / 0.8	12.9 / 16.7	11.2 / -21.4
3rd Largest Segment	Restaurants	Miscellaneous Retail	Department Stores	Restaurants	Office Equipment	Restaurants	Restaurants	Department Stores	Restaurants
% of Total / % Change	10.2 / 30.1	9.0 / 27.9	8.4 / 13.7	11.2 / 23.4	7.8 / -10.9	10.6 / 27.0	9.5 / 16.8	8.1 / 13.4	11.0 / -1.2

Information regarding sales tax comparison by city and change in economic segments (two highest gains and two highest declines) for 2Q 2022 to 2Q 2021 is attached.

Staff will monitor sales tax receipts and other available economic data to determine the need for any adjustments to the revenue projections. Staff will utilize the forecast scenarios with the complete report and receipt trends in assessing such projections.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachments:

- 1) Sales Tax Digest Summary 2Q 2022
- 2) Sales Tax Performance Analysis by Quarter 2Q 2022
- 3) Quarterly Sales Tax Comparison by City for 2Q 2022 to 2Q 2021

Riverside County Transportation Commission Sales Tax Digest Summary

ATTACHMENT 1

Collections through August 2022 Sales through June 2022 (2022Q2)

CALIFORNIA'S ECONOMIC OUTLOOK

California sales tax receipts increased by 4.9% over the same quarter from the previous year, with Northern California reporting a 3.8% increase compared to a 5.8% increase for Southern California. Receipts for the RCTC increased by 1.2% over the same periods.

Real Gross Domestic Product (GDP) decreased at an annual rate of 0.9% in the second quarter of 2022. U.S. inflation accelerated to 9.1% in June of 2022, while California's headline inflation was 8.3% year over year as of June of 2022. (DIR, BEA, BLS, July Finance Bulletin)

The U.S. unemployment rate remained unchanged at 3.6% in June of 2022, 0.1 percentage point higher than the February of 2020 pre-pandemic low of 3.5%. California's unemployment rate fell to a new record-low of 3.9% in July of 2022, now 0.2 percentage point lower than the February of 2020 pre-pandemic rate of 4.1%. (July, August Finance Bulletin)

U.S. personal income increased by 4.6% for the second quarter of 2022, compared to same quarter previous year. Personal consumption and expenditures increased by 8.4%, resulting in a 50.9% decrease in US personal savings for the second quarter of 2022, compared to same quarter previous year. (BEA)

LOCAL RESULTS

Net Cash Receipts Analysis

Local Collections	\$71,522,362
Less: Cost of Administration	\$(661,620)
Net 2Q2022 Receipts	\$70,860,742
Net 2Q2021 Receipts	\$70,032,412
Actual Percentage Change	1.2%

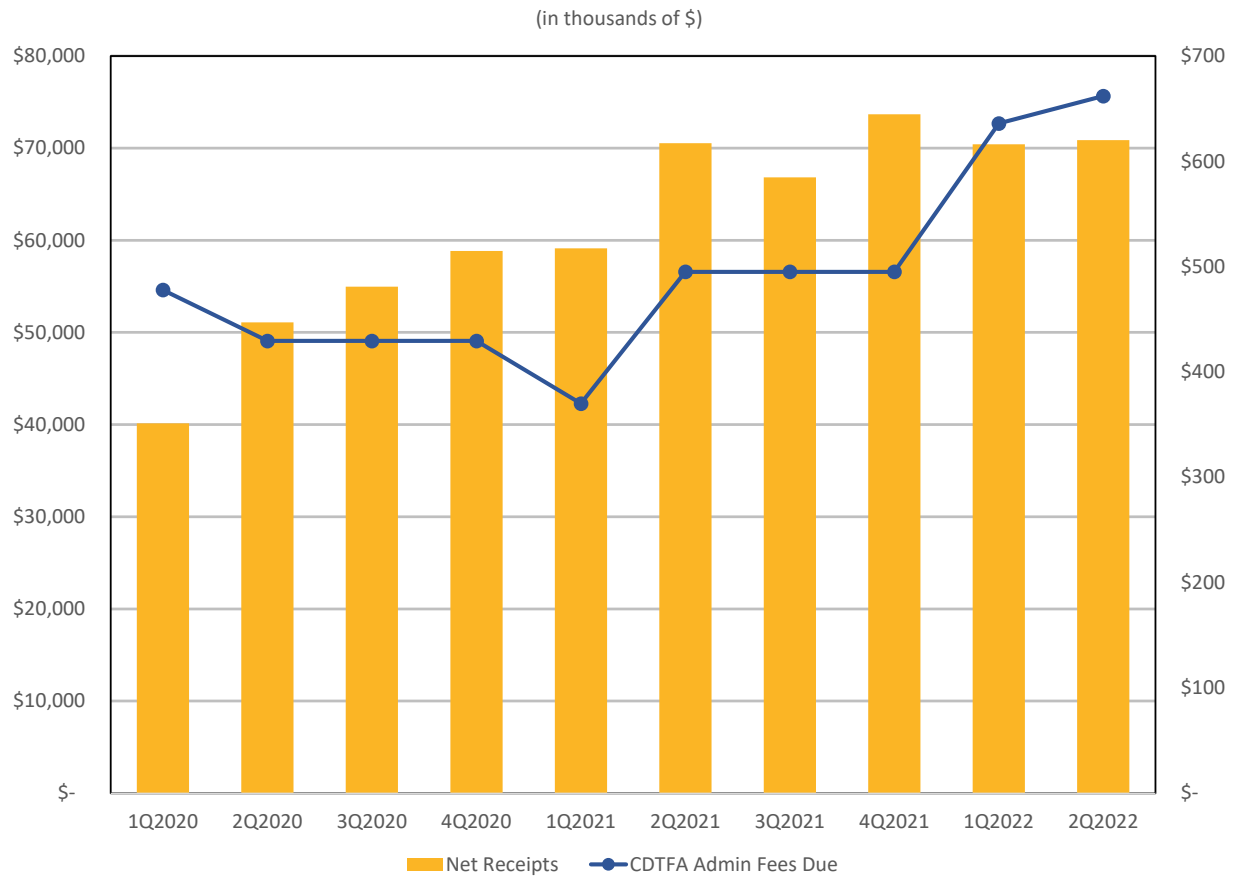
Business Activity Performance Analysis

Local Collections – Economic Basis 2Q2022	\$73,587,586
Local Collections – Economic Basis 2Q2021	\$66,951,763
Quarter over Quarter Change	\$6,635,824
Quarter over Quarter Percentage Change	9.9%

Avenu Insights & Analytics' On-Going Audit Results

Total Recovered Since Inception	\$15,364,392
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HISTORICAL CASH COLLECTIONS ANALYSIS BY QUARTER



TOP 25 SALES/USE TAX CONTRIBUTORS

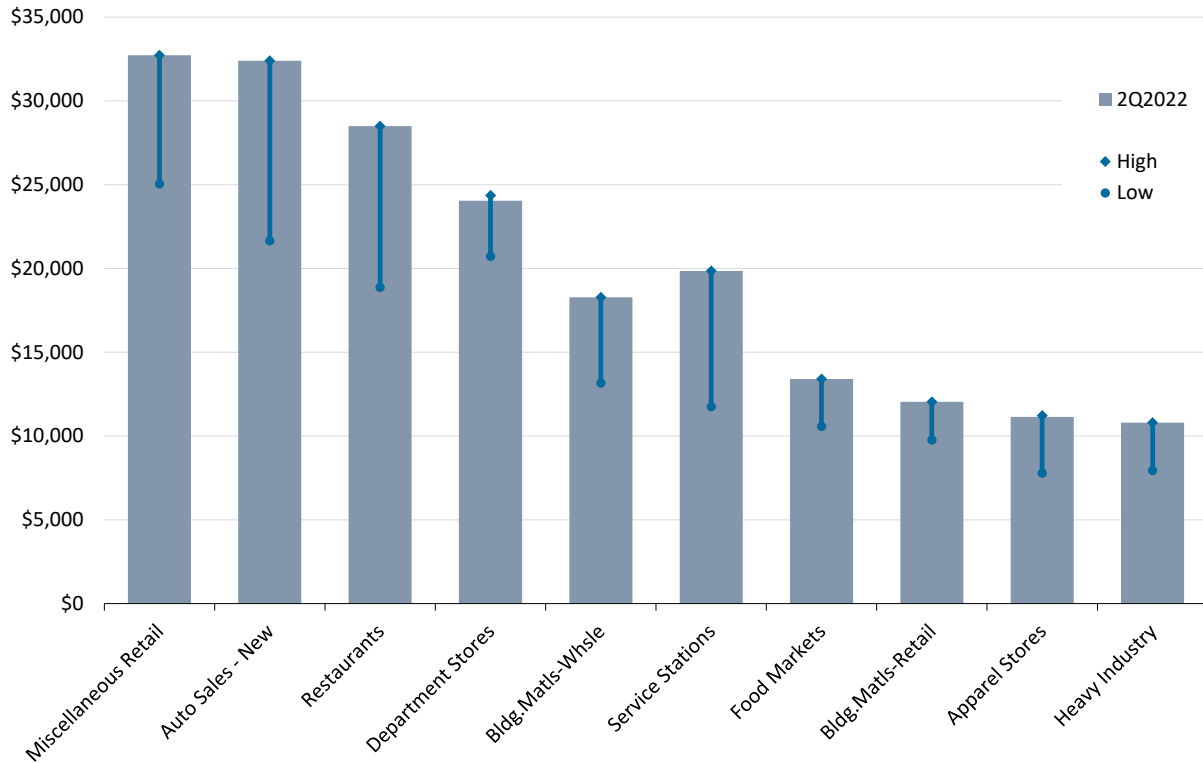
The following list identifies RCTC's Top 25 Sales/Use Tax contributors. The list is in alphabetical order and represents sales from May 2021 to June of 2022. The Top 25 Sales/Use Tax contributors generate 26.9% of RCTC's total sales and use tax revenue.

7-ELEVEN FOOD STORES	LOWE'S HOME CENTERS
AMAZON.COM – EC	MCDONALD'S RESTAURANTS
AMAZON.COM SERVICES – EC	RALPH'S GROCERY COMPANY
ARCO AM/PM MINI MARTS	ROSS STORES
BEST BUY STORES	SAM'S CLUB
CARMAX THE AUTO SUPERSTORE	SHELL SERVICE STATIONS
CHEVRON SERVICE STATIONS	STATER BROS MARKETS
CIRCLE K FOOD STORES	TARGET STORES
CONSOLIDATED ELECTRICAL DISTRIBUTORS	TESLA
COSTCO WHOLESALE	UNION 76 SERVICE STATIONS
DEPARTMENT OF MOTOR VEHICLES	VERIZON WIRELESS
EBAY – EC	WAL MART STORES
HOME DEPOT	

* "- EC" added to the end of business names represent electronic commerce.

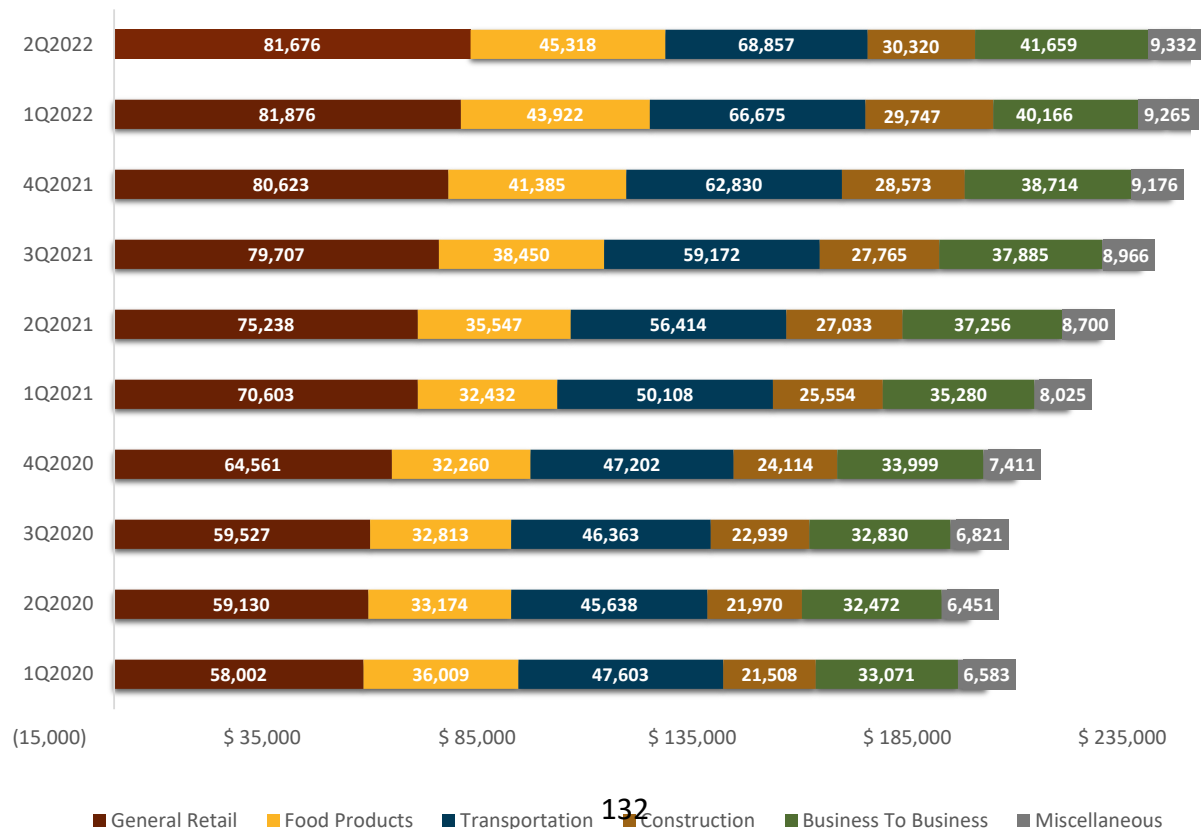
HISTORICAL SALES TAX AMOUNTS

The following chart shows the sales tax level from annual sales through June of 2022, the highs, and the lows for the top ten segments over the last two years in thousands of \$.

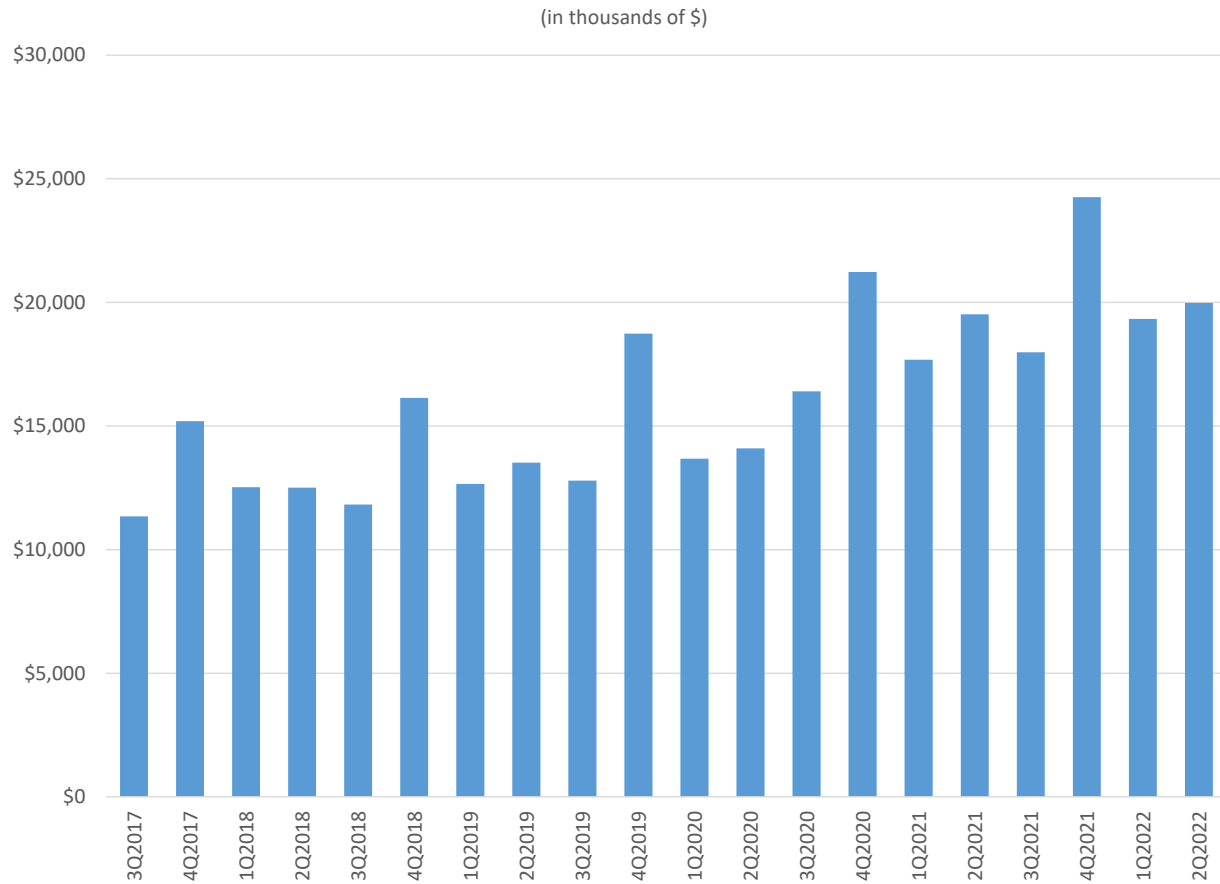


ANNUAL SALES TAX BY BUSINESS CATEGORY

(in thousands of \$)



FIVE-YEAR ECONOMIC TREND: General Retail

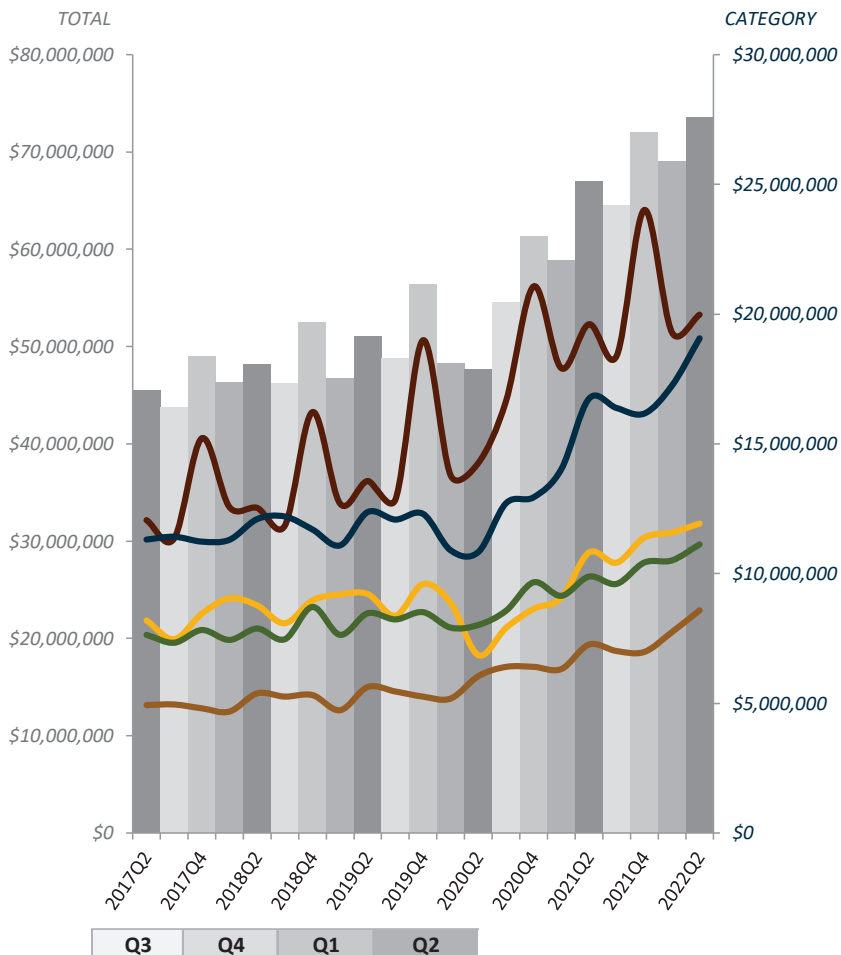


RCTC: Sales Tax Performance Analysis by Quarter

TOTAL

Confidential

Economic

**TOTAL**

2022Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$73,587,586	9.9%	\$6,635,824	15.5%	\$37,511,048

GENERAL RETAIL

2022Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$19,979,060	1.9%	\$369,333	8.6%	\$6,437,578
% of 2022Q2 Total:		27.2%		

FOOD PRODUCTS

2022Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$11,927,398	10.3%	\$1,116,728	24.4%	\$8,896,545
% of Total:		16.2%		

TRANSPORTATION

2022Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$19,067,280	13.9%	\$2,327,027	22.1%	\$12,443,309
% of Total:		25.9%		

CONSTRUCTION

2022Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$8,583,994	18.2%	\$1,320,538	14.9%	\$3,930,343
% of Total:		11.7%		

BUSINESS TO BUSINESS

2022Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$11,124,964	12.5%	\$1,239,805	11.8%	\$4,403,453
% of Total:		15.1%		

QoQ = 22Q2 / 21Q2

YoY = YE 22Q2 / YE 21Q2

Quarterly Comparison of 2021Q2 and 2022Q2 (April through June Sales)

ATTACHMENT 3

	General Retail	Food Products	Transportation	Construction	Business To Bus	Miscellaneous	Apr - Jun 2022 (2022Q2)	Apr - Jun 2021 (2021Q2)	% Chg	Gain	Gain	Decline	Decline
RIVERSIDE COUNTY													
BANNING	-3.2%	1.0%	9.6%	38.5%	-26.2%	-20.5%	816,093	784,384	4.0%	Service Stations	Misc. Vehicle Sales	Heavy Industry	Auto Sales - New
BEAUMONT	1028.2%	1.6%	24.5%	2.3%	-42.0%	-34.1%	6,617,017	1,663,144	297.9%	Miscellaneous Retail	Service Stations	Light Industry	Furniture/Appliance
BLYTHE	-27.3%	1.8%	6.1%	12.1%	35.3%	33.0%	437,203	431,633	1.3%	Service Stations	Electronic Equipment	Miscellaneous Retail	Auto Sales - New
CALIMESA	5.6%	16.3%	79.8%	-36.9%	57.5%	22.8%	371,284	271,740	36.6%	Service Stations	Restaurants	Office Equipment	Misc. Vehicle Sales
CANYON LAKE	31.3%	-0.6%	7.0%	6.4%	285.0%	-1.5%	97,029	82,264	17.9%	Heavy Industry	Office Equipment	Restaurants	Furniture/Appliance
CATHEDRAL CITY	-1.5%	4.9%	7.0%	1.2%	7.3%	-37.4%	3,083,303	2,920,830	5.6%	Auto Sales - New	Service Stations	Misc. Vehicle Sales	Leasing
COACHELLA	-0.2%	4.4%	29.8%	42.9%	86.6%	43.3%	1,248,603	1,013,057	23.3%	Service Stations	Energy Sales	Miscellaneous Retail	Auto Sales - Used
DESERT HOT SPRINGS	-2.2%	1.9%	22.0%	-3.5%	8.0%	23.6%	547,685	503,852	8.7%	Service Stations	Miscellaneous Retail	Drug Stores	Food Processing Eqp
EASTVALE	-1.5%	12.0%	42.3%	-7.5%	1.2%	-11.9%	9,713,404	9,773,810	-0.6%	Department Stores	Service Stations	Miscellaneous Retail	Bldg.Matls-Whsle
HEMET	-7.7%	10.2%	1.5%	-3.6%	-2.0%	-49.5%	3,886,676	3,870,881	0.4%	Service Stations	Food Markets	Auto Sales - New	Department Stores
INDIAN WELLS	29.4%	53.5%	0.0%	29.1%	267.0%	17.2%	298,742	208,062	43.6%	Restaurants	Miscellaneous Retail	Leasing	Chemical Products
INDIO	14.7%	35.5%	3.0%	35.8%	17.5%	46.2%	3,967,919	3,364,190	17.9%	Restaurants	Bldg.Matls-Retail	Auto Sales - New	Leasing
JURUPA VALLEY	-9.0%	7.3%	7.5%	15.8%	7.5%	-4.5%	5,077,116	4,893,686	3.7%	Service Stations	Bldg.Matls-Whsle	Auto Parts/Repair	Department Stores
LA QUINTA	7.4%	24.5%	-3.0%	-4.1%	20.1%	-26.3%	2,749,882	2,517,473	9.2%	Restaurants	Department Stores	Auto Sales - New	Bldg.Matls-Retail
LAKE ELSINORE	-4.1%	8.2%	0.6%	13.6%	27.8%	-6.7%	3,488,101	3,369,006	3.5%	Service Stations	Bldg.Matls-Whsle	Auto Sales - New	Drug Stores
MENIFEE	-2.6%	9.9%	33.5%	8.8%	37.8%	61.3%	2,835,269	2,534,126	11.9%	Service Stations	Restaurants	Department Stores	Furniture/Appliance
MORENO VALLEY	-3.7%	1.7%	14.0%	16.0%	21.7%	-41.6%	8,101,117	7,798,632	3.9%	Service Stations	Auto Sales - New	Miscellaneous Retail	Apparel Stores
MURRIETA	4.1%	-7.0%	9.8%	5.5%	24.2%	35.2%	5,774,713	5,474,510	5.5%	Energy Sales	Department Stores	Food Markets	Recreation Products
NORCO	0.7%	-2.5%	20.3%	118.9%	20.4%	71.6%	2,565,480	2,166,448	18.4%	Bldg.Matls-Whsle	Auto Sales - Used	Auto Sales - New	Food Markets
PALM DESERT	3.9%	16.0%	4.4%	21.5%	23.6%	30.1%	5,605,145	5,143,292	9.0%	Restaurants	Department Stores	Recreation Products	Drug Stores
PALM SPRINGS	-1.4%	7.3%	37.5%	4.0%	25.5%	-5.5%	4,557,230	4,036,506	12.9%	Auto Sales - New	Service Stations	Drug Stores	Light Industry
PERRIS	20.5%	4.8%	6.8%	5.7%	6.5%	-35.9%	6,313,773	5,737,963	10.0%	Miscellaneous Retail	Service Stations	Electronic Equipment	Auto Parts/Repair
RANCHO MIRAGE	3.8%	15.6%	5.0%	6.9%	-1.5%	-34.8%	1,539,389	1,451,975	6.0%	Restaurants	Light Industry	Health & Government	Leasing
RIVERSIDE	-0.9%	14.4%	6.6%	26.0%	-0.2%	-17.3%	19,894,747	18,476,706	7.7%	Bldg.Matls-Whsle	Service Stations	Leasing	Apparel Stores
SAN JACINTO	-0.1%	18.1%	28.7%	38.3%	-13.4%	9.3%	1,067,080	945,129	12.9%	Service Stations	Food Markets	Department Stores	Auto Sales - Used
TEMECULA	8.0%	-2.2%	11.6%	5.5%	10.0%	55.7%	10,913,458	10,144,877	7.6%	Auto Sales - New	Department Stores	Food Markets	Leasing
WILDOMAR	138.8%	5.5%	23.8%	86.1%	-0.3%	60.5%	706,757	546,976	29.2%	Drug Stores	Service Stations	Misc. Vehicle Sales	Leasing

AGENDA ITEM 9

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Sergio Vidal, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Fiscal Year 2022/23 Mid-Year Revised Revenue Projections

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve the mid-year Fiscal Year (FY) 2022/23 revenue projections of \$275 million for Measure A sales tax revenues, and \$150 million for Local Transportation Fund (LTF) revenue;
- 2) Approve the budget increase adjustments to Measure A revenues of \$20 million and expenditures of \$7,707,000 to reflect the revised Measure A projection; and
- 3) Approve the budget increase adjustments to LTF revenues of \$20 million, transfers in of \$1,759,000 and expenditures and transfers out of \$2,199,000 to reflect the revised LTF projection.

BACKGROUND INFORMATION:

Upon the adoption of the FY 2022/23 Budget, the Commission approved revenue projections for Measure A, LTF, and TUMF revenues. The revenue projections approved during the budget process were conservative due to the uncertain economic climate resulting from both rising inflation and interest rates along with concern on what the impact of this environment would have on the region's economy.

Like past years, staff reviewed Measure A, LTF, and TUMF revenues received through November 2022 to determine if any mid-year adjustments are necessary. Staff considered historical and current trends of the receipts and economic data collected from various sources including an economic forecast from University of California – Riverside (UCR). The outlook on the local economy is cautiously optimistic while citing a continued rise in interest rates and general price increases may result in a slowdown. As the region continues to add new jobs, 40,000 since its pre-pandemic peak in February 2020, and experience of modest population growth (increase of 0.7 percent between 2019 and 2022) taxable sales increased. However, a large driver in the region's increase in taxable sales is generated from general price increases and inflation, resulting in higher than anticipated Measure A and LTF sales tax receipts. Although the Riverside County has experienced higher than anticipated sales tax receipts, its costs have also increased during

the same period, specifically inflation Consumer Price Index (CPI) has risen 9 percent since July 2021 and 21 percent since July 2018 (pre-pandemic).

Measure A Sales Tax Revenues

Measure A sales tax revenues are the local half-cent transactions and use tax approved by Riverside County voters in November 2002. Measure A sales tax revenues fund highway, regional arterial, local streets and roads, new corridors, economic development, bond financing, bus transit, commuter rail, commuter assistance, and specialized transportation projects in the three geographic areas of Riverside County, as defined in the Measure A Expenditure Plan.

The audited FY 2021/22 revenues were approximately \$280 million — 15 percent above the FY 2020/21 revenues, and FY 2022/23 revenues through October are 37 percent of the June 2022 projection of \$255 million. The implementation of internet sales taxes in 2019 due to the Wayfair decision is a significant factor in the positive results within both general retail and transportation categories along with general price increases due to the current inflationary environment. Staff continues to review quarterly Measure A sales tax revenues economic data available on the California Department of Tax and Fee Administration's website as well as data prepared by the Commission's sales tax consultant, MuniServices, an Avenu Insights and Analytics Corporation.

Since FY 2021/22 actual results have exceeded January 2022 projections, staff recommends a mid-year revision to the FY 2022/23 Measure A sales tax projection of \$275 million reflecting a modest slowdown however largely in alignment with the prior year receipts (FY 2021/22). This is a \$20 million, or 8 percent, increase from the original FY 2022/23 projection of \$255 million. The revision reflects continued conservatism and in-line with general price increases for the region in the prior fiscal year.

LTF Sales Tax Revenues

LTF sales tax revenues represent a quarter cent of the statewide sales tax and primarily fund transit requirements within the county in addition to planning and administration activities and bicycle and pedestrian projects. These revenues approximate 54 percent of Measure A sales tax revenues.

LTF sales tax revenues have also exceeded expectations. The audited FY 2021/22 revenues totaled approximately \$151 million — 19 percent above the January 2022 revised mid-year projection of \$127 million, and FY 2022/23 revenues through September are 39 percent of the June 2022 projection of \$130 million. Like Measure A sales tax revenues, staff recommends a mid-year revision to the FY 2022/23 LTF projection of \$150 million in alignment with receipts collected in the prior fiscal year. The revised projection is a \$20 million, or 15 percent, increase from the January 2022 projection of \$130 million.

TUMF Revenues

TUMF revenues represent the Commission's share of revenues generated from a development fee program administered by the Western Riverside Council of Governments (WRCOG). Local Western County jurisdictions collect fees charged to ensure new development pays for the new transportation facilities needed to accommodate growth.

TUMF revenues collected during the current fiscal year total \$10.7 million, outpacing last year's collections thru the reporting period September 2022. However, due to the uncertain nature for TUMF receipts which tend to fluctuate significantly, it is challenging to both identify and project any trends. Furthermore, after discussion with cognizant agencies development is anticipated to slowdown in the near future. Thus, staff recommends no adjustment to the current fiscal year (2022/23) revenue projection of \$30 million.

Mid-Year Revised Revenue Projections Summary

The mid-year revised revenue projections for Measure A, and LTF are summarized as follows:

Revenue Source	FY 2021/22 Actuals	FY 2022/23 Budget	FY 2022/23 Mid-Year Budget Revision	Increase from Original Budget (Adjustment)
Measure A	\$ 280,170,582	\$ 255,000,000	\$ 275,000,000	\$ 20,000,000
LTF	150,693,950	130,000,000	150,000,000	20,000,000

Any change in Measure A sales tax revenue projections has a direct effect on the distributions to the geographic areas and related local streets and roads (LSR) programs. Since there is a \$20 million increase in the Measure A revenue projections, staff also recommends budget adjustments for LSR expenditures of \$5,928,000 and Coachella Valley highways and regional arterials expenditures of \$1,779,000—an aggregate total of \$7,707,000.


In addition to the \$20 million increase in projected LTF sales tax revenues, staff recommends budgets adjustments for the following expenditures and transfers in/out:

- A \$440,000 increase in the allocation to the Southern California Association of Governments for planning; and
- A \$1,759,000 increase in transfers out to the General fund and corresponding transfers in from the LTF fund to the General fund for Commission planning allocations.

The increase for SB 821 bicycle and pedestrian projects of approximately \$1,129,000 does not require a budget adjustment, as this amount will be included in the amount available for the next call for projects.

The revised LTF projections include the audited FY 2021/22 carryover available to local governments and transit agencies of \$38.6 million; the carryover represents the difference in the prior fiscal year's projected and actual revenues and does not require a budget adjustment. The increase in the LTF balance available for apportionments for transit operators of approximately \$49,760,000 also does not require a budget adjustment, as this amount will be available for any transit allocation adjustments based on amendments to transit operator Short Range Transit Plans (SRTPs) and for transit operators in the preparation of the FY 2023/24 SRTPs.

Upon Commission approval, staff will provide this updated information to the necessary local governments and transit operators for planning purposes. Additionally, staff will continue to monitor FY 2022/23 revenues to determine if any other adjustments to the revenue projections for Measure A and LTF administration are necessary.

Financial Information				
In Fiscal Year Budget:	No	Year:	FY 2022/23	Amount: \$41,759,000 additional sources \$9,906,000 additional uses
Source of Funds:	2009 Measure A and LTF		Budget Adjustment:	Yes
GL/Project Accounting No.:	<u>Measure A</u>			
	\$ 5,020,000	623999 401 40101	262 31 40101 (Sources)	
	1,820,000	613999 401 40101	261 31 40101 (Sources)	
	1,004,000	654199 401 40101	265 33 40101 (Sources)	
	251,000		269 62 40101 (Sources)	
	314,000		260 26 40101 (Sources)	
	104,000		270 26 40101 (Sources)	
	246,000	632199 401 40101	263 41 40101 (Sources)	
	1,476,000		266 72 40101 (Sources)	
	4,774,000		267 71 40101 (Sources)	
	1,328,000		264 19 40101 (Sources)	
	196,000	683999 401 40101	268 31 40101 (Sources)	
	(91,000)		234 71 40101 (Sources)	
	1,779,000	563999 401 40101	256 31 40101 (Sources)	
	1,245,000		257 71 40101 (Sources)	
	534,000		258 26 40101 (Sources)	
	4,774,000		267 71 86104 (Uses)	
	1,245,000		257 71 86104 (Uses)	
	1,779,000		256 31 86405 (Uses)	
	(91,000)		234 31 86104 (Uses)	
	<u>LTF</u>			
	20,000,000		601 62 40102 (Sources)	
	1,759,000		106 65 59001 (Sources)	
1,759,000		601 62 97001 (Uses)		
440,000		601 62 86205 (Uses)		
Fiscal Procedures Approved:			Date:	12/16/2022

Attachments:

- 1) FY 2022/23 Revised Measure A Program Allocation
- 2) FY 2022/23 Revised Riverside County LTF Apportionment

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A PROGRAM ALLOCATION (PROJECTION)¹
FY 2022/23
REVISED (1/11/2023)

	REVISED Projection (1/11/2023)	Original Projection (1/12/2022)	Increase (Decrease)
Projected Measure A Revenues	\$ 275,000,000	\$ 255,000,000	\$ 20,000,000
Less: Administration ²	-	-	-
Projected Apportionment to Programs:			
Western County			
Highway Improvements (262)	66,974,000	61,954,000	5,020,000
New Corridors (261)	24,294,000	22,474,000	1,820,000
Public Transit			
Commuter Rail (265)	13,395,000	12,391,000	1,004,000
Intercity Bus (269)	3,349,000	3,098,000	251,000
Specialized Transit-Operations (260)	4,186,000	3,872,000	314,000
Specialized Transit-CTSA (270)	1,395,000	1,291,000	104,000
Commuter Services (263)	3,283,000	3,037,000	246,000
Regional Arterial (266)	19,698,000	18,222,000	1,476,000
Local Streets & Roads (267)	63,691,000	58,917,000	4,774,000
BANNING	877,000	857,000	20,000
BEAUMONT ³	733,600	604,800	128,800
CALIMESA	310,000	274,000	36,000
CANYON LAKE	282,000	262,000	20,000
CORONA	5,536,000	5,726,000	(190,000)
EASTVALE	3,279,000	1,997,000	1,282,000
HEMET	2,784,000	2,531,000	253,000
JURUPA VALLEY	3,323,000	3,557,000	(234,000)
LAKE ELSINORE	2,282,000	1,985,000	297,000
MENIFEE	2,993,000	2,646,000	347,000
MORENO VALLEY	6,369,000	5,710,000	659,000
MURRIETA	3,588,000	3,484,000	104,000
NORCO	962,000	931,000	31,000
PERRIS	2,838,000	3,001,000	(163,000)
RIVERSIDE	10,659,000	10,257,000	402,000
SAN JACINTO	1,478,000	1,310,000	168,000
TEMECULA	4,334,000	4,120,000	214,000
WILDOMAR	985,000	928,000	57,000
RIVERSIDE COUNTY	8,978,000	7,829,000	1,149,000
WRCOG ³	1,100,400	907,200	193,200
Bond Financing (264)	17,728,000	16,400,000	1,328,000
Economic Development Projects (268)	2,626,000	2,430,000	196,000
SUBTOTAL-Western County	220,619,000	204,086,000	16,533,000
Coachella Valley			
Highways & Regional Arterials (256)	26,626,000	24,847,000	1,779,000
Local Street & Roads (257)	18,638,000	17,393,000	1,245,000
CATHEDRAL CITY	2,029,000	1,905,000	124,000
COACHELLA	799,000	758,000	41,000
DESERT HOT SPRINGS	709,000	624,000	85,000
INDIAN WELLS	286,000	256,000	30,000
INDIO	2,562,000	2,454,000	108,000
LA QUINTA	1,967,000	1,865,000	102,000
PALM DESERT	3,441,000	3,199,000	242,000
PALM SPRINGS	3,162,000	2,924,000	238,000
RANCHO MIRAGE	1,175,000	1,111,000	64,000
RIVERSIDE COUNTY	2,508,000	2,297,000	211,000
Specialized & Public Transit (258)	7,988,000	7,454,000	534,000
SUBTOTAL-Coachella Valley	53,252,000	49,694,000	3,558,000
Palo Verde Valley			
Local Street & Roads (234)	1,129,000	1,220,000	(91,000)
BLYTHE	874,000	969,000	(95,000)
RIVERSIDE COUNTY	255,000	251,000	4,000
SUBTOTAL-Palo Verde Valley	1,129,000	1,220,000	(91,000)
TOTAL	\$ 275,000,000	\$ 255,000,000	\$ 20,000,000

Notes:

¹ Estimate for planning purposes, subject to change and rounding differences.

² Administrative costs are allocated in accordance with a cost allocation plan on a quarterly basis. Accordingly, the Measure A allocations to each geographic area by program will be reduced for such quarterly cost allocations.

³ In accordance with settlement agreement and release.

**RIVERSIDE COUNTY
LOCAL TRANSPORTATION FUND
FY 2022/23 APPORTIONMENT
REVISION January 11, 2023**

	Revised Projection (1/11/2023)	Original Projection (1/12/2022)	(Decrease) Increase
Estimated Carryover (Unapportioned)	\$ 38,617,000	\$ -	\$ 38,617,000
Estimated Receipts ¹	150,000,000	130,000,000	20,000,000
TOTAL	188,617,000	130,000,000	58,617,000
Less: County Auditor-Controller Administration	12,000	12,000	-
Less: Estimated RCTC Administration ²	1,250,000	1,250,000	-
Less: RCTC Planning (3% of revenues)	5,659,000	3,900,000	1,759,000
Less: SCAG Planning (3/4 of 1% of revenues)	1,415,000	975,000	440,000
BALANCE	180,281,000	123,863,000	56,418,000
Less: SB 821 (2% of balance)	3,606,000	2,477,000	1,129,000
BALANCE AVAILABLE BEFORE RESERVES	176,675,000	121,386,000	55,289,000
Less: 10% Transit Reserves	17,668,000	12,139,000	5,529,000
BALANCE AVAILABLE FOR APPORTIONMENT	\$ 159,007,000	\$ 109,247,000	\$ 49,760,000

APPORTIONMENT	Population	Population % of Total	FY 2022/23 Revised Apportionment (1/11/2023)	FY 2022/23 Original Apportionment (1/12/2022)	Revised Projections (Decrease) Increase
Western:	1,956,247	79.70%	\$ 126,732,000	\$ 87,072,000	\$ 39,660,000
Rail	22%		27,881,000	19,156,000	8,725,000
Transit	78%		98,851,000	67,916,000	30,935,000
Coachella Valley	474,031	19.31%	30,709,000	21,099,000	9,610,000
Palo Verde Valley	24,175	0.985%	1,566,000	1,076,000	490,000
	2,454,453	100.00%	\$ 159,007,000	\$ 109,247,000	\$ 49,760,000

ALLOCATION OF TRANSIT RESERVES (in accordance with Reserve Policy adopted January 12, 2005):

Western:		
Rail		\$ 3,099,000
Transit:		
RTA	\$ 9,281,000	
Banning	265,000	
Beaumont	378,000	
Corona	310,000	
Riverside	749,000	
Subtotal Transit	<u>\$ 10,983,000</u>	10,983,000
Subtotal Western		14,082,000
Coachella Valley		3,412,000
Palo Verde Valley		174,000
Total Reserves		<u>\$ 17,668,000</u>

NOTES:

¹ Estimate for planning purposes, subject to change and rounding differences. Rounded to the nearest thousand.

² Amount is an estimate; administrative costs are allocated in accordance with a cost allocation plan on a quarterly basis.

Population Source: California Department of Finance, Demographic Research Unit as of January 1, 2021.

Allocation of reserves: FY 2021/22 SRTP funding allocations approved 6/28/2021.

AGENDA ITEM 10

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Sergio Vidal, Chief Financial Officer
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Fiscal Year 2023/24 Revenue Projections

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve the projection for Measure A revenues of \$280 million for Fiscal Year 2023/24;
- 2) Approve the projection for Local Transportation Fund (LTF) apportionment of \$155 million for the Western Riverside County, Coachella Valley, and Palo Verde Valley areas for FY 2023/24; and
- 3) Approve the projection for Transportation Uniform Mitigation Fee (TUMF) revenues of \$30 million for FY 2023/24.

BACKGROUND INFORMATION:

Prior to commencement of the annual budget process, the Chief Financial Officer presents to the Commission the projections for Measure A, LTF, and TUMF revenues related to the upcoming fiscal year. These revenue projections include consideration of historical and current trends of receipts and economic data collected from various sources, including the quarterly sales tax forecast of Measure A sales tax revenues prepared by its sales tax consultant, MuniServices, LLC, an Avenu Company and a study prepared by University of California – Riverside (UCR).

Measure A Sales Tax Revenues

The Measure A sales tax revenues projection consists of revenues generated from the local half-cent transactions and use tax approved by voters in November 2002. Measure A sales tax funds are primarily used to fund highway, regional arterial, local streets and roads, new corridors, economic development, bond financing, bus transit, commuter rail, commuter assistance, and specialized transportation projects in the three geographic areas of Riverside County, as defined in the Measure A Expenditure Plan. The percentage of Measure A sales tax revenues allocated to each of these geographic areas is based on return to source of the sales tax revenues generated. FY 2023/24 represents the 15th year of the 30-year term of the 2009 Measure A.

The Measure A sales tax revenue projection for FY 2023/24 is \$280 million. The estimate is slightly higher than the FY 2022/23 mid-year projection of \$275 million. Considering the

continued uncertainty regarding rise in both interest rates and general price increases, the forecast for the upcoming fiscal year is conservative and represents caution based on current economic forecast information. This projection will become the basis for the preparation for the FY 2023/24 budget. The budget process typically commences in January of each year following the development of the Measure A sales tax revenue projections. Additionally, the amounts for the local streets and roads programs are usually provided to the local jurisdictions for planning purposes.

The projected amount of Measure A sales tax revenues available for distribution to the three geographic areas is \$280 million prior to an administrative cost allocation, as summarized below and presented in further detail by program on the attachment:

Geographic Area	Amount
Western Riverside County	\$ 223,745,000
Coachella Valley	55,168,000
Palo Verde Valley	1,087,000
Total	\$ 280,000,000

Administrative costs are allocated in accordance with a cost allocation plan on a quarterly basis. Accordingly, the Measure A allocations to each geographic area by program will be reduced for such quarterly cost allocations.

Local Transportation Fund Sales Tax Revenues

The LTF projection consists of revenues generated from a quarter cent of the statewide sales tax. These LTF funds are principally used to fund transit requirements within the county of Riverside (County). The Transportation Development Act (TDA) legislation that created LTF requires the County Auditor Controller to annually estimate the amount of revenues expected to be generated from the sales tax. The estimate then becomes the basis for geographic apportionment and for claimant allocation through the Short-Range Transit Plan (SRTP) process, which commences in February 2023 for the upcoming fiscal year.

While the County is the taxing authority and maintains the custodial responsibility over the LTF revenues, the Commission by statute is charged with administration of the LTF funding process. Therefore, the practice has been for staff to develop the revenue estimate and then submit it to the County Auditor Controller for concurrence. Once the Commission and the County agree on a revenue amount, staff prepares the statutorily required apportionment. Apportionment is the process that assigns revenues to the three major geographic areas as defined by TDA law within the County: Western Riverside County, Coachella Valley, and Palo Verde Valley. The revenues are divided based on the respective populations for each area. The apportionment occurs after off-the-top allocations for administration to the County and Commission and set asides for Southern California Association of Governments planning (3/4 of 1 percent), local planning activities (3 percent), and bicycle and pedestrian projects (2 percent). The Commission's administration allocation is an estimate; the actual amount is subject to quarterly amounts

determined per the administrative cost allocation plan. Any difference in allocated Commission administration costs will be reflected in next year's estimated carryover.

Attached is the FY 2023/24 LTF apportionment based on a revenue estimate of \$155 million. The estimate will be submitted to the County for its concurrence. The estimate is slightly higher than the FY 2022/23 mid-year projection of \$150 million. Like the Measure A sales tax revenue projection, the increase is conservative and represents caution based on rising interest rates and general price increases along with current economic forecast information. After the deductions for estimated administration of approximately \$1,262,000 and set asides of approximately \$8,772,000, the amount available for apportionment before reserves to transit operators is approximately \$144,966,000. The balance available for apportionment before reserves is as follows:

Geographic Area		Amount
Western Riverside County		\$118,617,000
Coachella Valley		24,937,000
Palo Verde Valley		1,412,000
Total		\$144,966,000

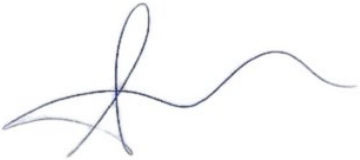
In accordance with the Reserve Policy adopted by the Commission at its January 12, 2005 meeting, a reserve of 10 percent for each apportionment area will be established and set aside for FY 2023/24, for unforeseen cost increases or other emergency. For the Western Riverside County apportionment area, a portion of the reserve will be allocated to each of the transit operators. For Western County public bus transit operators, the allocation of the reserve is based on each operator's proportionate share of the FY 2022/23 LTF operating and federal Coronavirus Aid, Relief, and Economic Security (CARES) Act; Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA); and American Rescue Plan Act of 2021 (ARPA) allocations. The CARES Act, CRRSAA, and ARPA funds provided federal support to transit operators due to anticipated COVID-19 impacts on public transit and thereby reduced the LTF operating allocations. Operators may access reserve funds by amending their SRTPs through the established amendment and Commission approval process.

Transportation Uniform Mitigation Fee

The TUMF projection consists of revenues generated from fees charged to new development to ensure it pays for the new transportation facilities needed to accommodate growth. As a result of a memorandum of understanding executed in 2008 between the Commission and the Western Riverside Council of Governments (WRCOG), the administrator of the TUMF program, the Commission receives a significant share of TUMF revenues, after a WRCOG administrative allocation, for the Commission's regional arterial and Community Environmental Transportation Acceptability Process programs that is equal to the WRCOG share for the TUMF zone program. The revenue estimate for FY 2023/24 is \$30 million, the same as the FY 2022/23 mid-year projection. Staff will continue to monitor trends, current year cash receipts along with discussion with WRCOG to determine if any further revisions are required for this revenue source.

Next Steps

Upon Commission approval, staff will provide this information to the local jurisdictions and transit operators for planning purposes. Staff will continue to monitor FY 2022/23 revenues during the development of the FY 2023/24 budget to determine if any adjustments to the revenue projections are necessary.

Financial Information					
In Fiscal Year Budget:	N/A	Year:	FY 2023/24	Amount:	\$280,000,000 Measure A; \$155,000,000 LTF; \$30,000,000 TUMF
Source of Funds:	2009 Measure A, LTF, and TUMF			Budget Adjustment:	N/A
GL/Project Accounting No.:	<u>Measure A</u>				
	\$ 67,923,000	623999 401 40101	262 31 40101		
	24,639,000	613999 401 40101	261 31 40101		
	13,585,000	654199 401 40101	265 33 40101		
	3,396,000		269 62 40101		
	4,245,000		260 26 40101		
	1,415,000		270 26 40101		
	3,330,000	632199 401 40101	263 41 40101		
	19,977,000		266 72 40101		
	64,591,000		267 71 40101		
	17,980,000		264 19 40101		
	2,664,000	683999 401 40101	268 31 40101		
	27,584,000	563999 401 40101	256 31 40101		
	19,309,000		257 71 40101		
	8,275,000		258 26 40101		
	1,087,000		234 71 40101		
	<u>LTF</u>				
	155,000,000		601 62 40102		
	<u>TUMF</u>				
	15,000,000	725000 416 41607	210 72 42110		
	15,000,000	735000 416 41607	210 73 42110		
Fiscal Procedures Approved:				Date:	12/16/2022

Attachments:

- 1) FY 2023/24 Measure A Program Allocation – Projection
- 2) FY 2023/24 Riverside County LTF Apportionment - Projections

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
MEASURE A PROGRAM ALLOCATION (PROJECTION)¹
FY 2023/24
ORIGINAL (1/11/2023)

	ORIGINAL Projection (1/11/2023)
Projected Measure A Revenues	\$ 280,000,000
Less: Administration ²	-
Projected Apportionment to Programs:	
Western County	
Highway Improvements (262)	67,923,000
New Corridors (261)	24,639,000
Public Transit	
Commuter Rail (265)	13,585,000
Intercity Bus (269)	3,396,000
Specialized Transit-Operations (260)	4,245,000
Specialized Transit-CTSA (270)	1,415,000
Commuter Services (263)	3,330,000
Regional Arterial (266)	19,977,000
Local Streets & Roads (267)	64,591,000
BANNING	885,000
BEAUMONT ³	875,000
CALIMESA	318,000
CANYON LAKE	286,000
CORONA	5,611,000
EASTVALE	3,219,000
HEMET	2,791,000
JURUPA VALLEY	3,381,000
LAKE ELSINORE	2,293,000
MENIFEE	3,028,000
MORENO VALLEY	6,392,000
MURRIETA	3,615,000
NORCO	985,000
PERRIS	2,858,000
RIVERSIDE	10,776,000
SAN JACINTO	1,502,000
TEMECULA	4,354,000
WILDOMAR	1,005,000
RIVERSIDE COUNTY	9,104,000
WRCOG ³	1,313,000
Bond Financing (264)	17,980,000
Economic Development Projects (268)	2,664,000
SUBTOTAL-Western County	223,745,000
Coachella Valley	
Highways & Regional Arterials (256)	27,584,000
Local Street & Roads (257)	19,309,000
CATHEDRAL CITY	2,040,000
COACHELLA	832,000
DESERT HOT SPRINGS	723,000
INDIAN WELLS	331,000
INDIO	2,670,000
LA QUINTA	2,013,000
PALM DESERT	3,564,000
PALM SPRINGS	3,318,000
RANCHO MIRAGE	1,212,000
RIVERSIDE COUNTY	2,606,000
Specialized & Public Transit (258)	8,275,000
SUBTOTAL-Coachella Valley	55,168,000
Palo Verde Valley	
Local Street & Roads (234)	1,087,000
BLYTHE	841,000
RIVERSIDE COUNTY	246,000
SUBTOTAL-Palo Verde Valley	1,087,000
TOTAL	\$ 280,000,000

Notes:

¹ Estimate for planning purposes, subject to change and rounding differences.

² Administrative costs are allocated in accordance with a cost allocation plan on a quarterly basis. Accordingly, the Measure A allocations to each geographic area by program will be reduced for such quarterly cost allocations.

³ In accordance with settlement agreement and release.

**RIVERSIDE COUNTY
LOCAL TRANSPORTATION FUND
FY 2023/24 APPORTIONMENT
Original January 11, 2023**

	Original Projection (1/11/2023)
Estimated Carryover (Unapportioned)	\$ -
Estimated Receipts ¹	155,000,000
TOTAL	155,000,000
Less: County Auditor-Controller Administration	12,000
Less: Estimated RCTC Administration ²	1,250,000
Less: RCTC Planning (3% of revenues)	4,650,000
Less: SCAG Planning (3/4 of 1% of revenues)	1,163,000
BALANCE	147,925,000
Less: SB 821 (2% of balance)	2,959,000
BALANCE AVAILABLE BEFORE RESERVES	144,966,000
Less: 10% Transit Reserves	14,497,000
BALANCE AVAILABLE FOR APPORTIONMENT	\$ 130,469,000

APPORTIONMENT	Population	Population % of Total	FY 2022/23 Revised Apportionment (1/12/2022)
Western:	1,969,706	81.82%	\$ 106,755,000
Rail	22%		23,486,000
Transit	78%		83,269,000
Coachella Valley	414,091	17.20%	22,443,000
Palo Verde Valley	23,451	0.97%	1,271,000
	<u>2,407,248</u>	<u>100.00%</u>	<u>\$ 130,469,000</u>

ALLOCATION OF TRANSIT RESERVES (in accordance with Reserve Policy adopted January 12, 2005):

Western:		
Rail		\$ 2,611,000
Transit:		
RTA	\$ 7,953,000	
Banning	227,000	
Beaumont	310,000	
Corona	177,000	
Riverside	584,000	
Subtotal Transit	<u>\$ 9,251,000</u>	9,251,000
Subtotal Western		11,862,000
Coachella Valley		2,494,000
Palo Verde Valley		141,000
Total Reserves		<u>\$ 14,497,000</u>

NOTES:

¹ Estimate for planning purposes, subject to change and rounding differences. Rounded to the nearest thousand.

² Amount is an estimate; administrative costs are allocated in accordance with a cost allocation plan on a quarterly basis.

Population Source: California Department of Finance, Demographic Research Unit as of January 1, 2022.

Allocation of transit reserves: FY 2022/23 SRTP funding allocations approved 6/29/2022.

AGENDA ITEM 11

<i>RIVERSIDE COUNTY TRANSPORTATION COMMISSION</i>	
DATE:	January 11, 2023
TO:	Riverside County Transportation Commission
FROM:	Brian Cunanan, Commuter & Motorist Assistance Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Metrolink Corporate Partner Program Agreement to Fulfill the Low Carbon Transit Operation Program Free Rail Pass Program

STAFF RECOMMENDATION:

This item is for the Commission to:

- 1) Approve Agreement No. 23-41-029-00 with Southern California Regional Rail Authority (Metrolink) Corporate Partner Program; and
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the agreement, on behalf of the Commission.

BACKGROUND INFORMATION:

In April 2022, the Commission adopted Resolution No. 22-008 *“Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program (LCTOP) for the Riverside County Free Rail Pass Program in the amount of \$2,406,486”*, in order to submit and apply for the LCTOP grant to fund a free rail pass program (Program). The application was subsequently approved by the California Department of Transportation in August 2022. Staff is working to bring the Program to market in 2023 to support rail recovery efforts and to help expand access to public transportation for disadvantaged and low-income populations by reducing the financial barriers to trying public transportation. As well, staff is working to ensure the program is easily accessible for college and university students to participate.

The free passes will be distributed to participants with a verified home address within Riverside and San Bernardino Counties over a three-month period through IE Commuter, RCTC and San Bernardino County Transportation Authority’s (SBCTA) bi-county Commuter Assistance Program website. Free roundtrip tickets will be distributed using promotional codes provided through the website and via email that can be redeemed at Metrolink station ticket kiosks. Participants with mobile devices will be issued passes through Metrolink Mobile App, its ticketing application. Riders without access to mobile devices will be mailed physical QuickCard passes that can be reloaded with additional free passes during the three-month incentive period.

Fulfillment of the free passes will require coordination between consultant staff administering the Program, IE Commuter system/database, and access to Metrolink’s Corporate Pass Program

and Corporate QuickCard Program portals (Portals). To join the Program, participants will create an IE Commuter account and have their home address verified (via third party) at IECommuter.org. After onboarding, participants will be able to request free passes from the Program directly through the IE Commuter website. These requests will be processed by consultant staff utilizing the existing Metrolink Portals to distribute passes to Program participants. As such, staff is recommending approval of a modified Metrolink Corporate Pass program contract to enable access to the Portals in support of the LCTOP funded Program.

A tiered ticket distribution will be implemented to maximize the LCTOP funds approved for this effort. As participants demonstrate actual ridership and frequency, they will progress and unlock higher value tiers of ticket options. This progressive approach ensures that more expensive ticket options are not released until a participant has demonstrated they are using the tickets provided and minimizes unnecessary grant depletion as well as encourages repeat rail ridership.

Staff will work with consultant team to monitor and evaluate riders' participation throughout the program period.

FISCAL IMPACT:

There is no fiscal impact tied to the execution of the Metrolink Corporate Pass Program contract.

Attachment: Draft Agreement No. 23-41-029-00 with Metrolink

Corporate Partner Program (CPP) Agreement

This Metrolink Corporate Partner Program Agreement (“**Agreement**”) is entered into as of _____, _____ and is effective as of the date fully executed by both parties (“**Effective Date**”), between Southern California Regional Rail Authority (“**Metrolink**”), located at 900 Wilshire Blvd. Suite 1500 Los Angeles, CA 90017 and

_____, (“**Client**”) located at _____.

I. RESPONSIBILITIES OF CLIENT AND METROLINK

A. This Agreement sets forth the rights and obligations of the parties with respect to Metrolink’s Corporate Partner Program (“**Program**”). It is Metrolink’s objective to provide a safe and convenient way for Client’s employees, tenants, and/or customers (collectively, “**Rider(s)**”) to reach their destinations.

B. Client will promote the Program and Metrolink will provide the necessary marketing materials (e.g., maps, timetables, etc.) to assist in the promotion and to enhance Riders’ awareness of Metrolink generally.

1. Once the number of Riders is determined by Client, Metrolink will provide two options for ticket distribution. Option A. Corporate Quick Cards (“**CQC**”) (a magnetic strip card) for Client at no charge to distribute to its Riders. Option B. Distribute Metrolink tickets via the Metrolink Mobile App (electronic tickets.)

2. The Client may subsidize the cost of the pass or ticket as it sees fit. However, Metrolink shall be reimbursed at the face value of the passes and tickets notwithstanding any such subsidy.

C. Client will have electronic access to a password-protected listing (Order Form) of its CQC’s/Mobile tickets and shall be solely responsible for updating, adding, deleting, editing, reviewing activity, holding and making changes to its Cards/electronic tickets.

II. CLIENT’S PAYMENT TO METROLINK

A. Payments are made to Metrolink at the end of each sales cycle based on actual tickets retrieved, which begins on the 1st day of every month, and ends on the last day of the month. Metrolink will send an invoice to the Client after the 1st of the following month with payment due Net 45 days.

B. Payment term is 45 days from the date of the invoice and can be made by Automated Clearing House (ACH), agency check or money order payable to Metrolink and sent to: P.O. Box 514039, Los Angeles, CA 90051-4039. Please include Metrolink’s invoice number with payment.

C. If payment is not received by 45 days from the date of invoice, interest will be charged at 1.5 percent per month on the total amount due, until the balance is paid in full.

D. Client’s account may be suspended if payment is not received by 45 days from the due date and canceled after 90 days past due. Canceled accounts will be sent to a collection agency.

E. Client is responsible for payment of the face value of all passes and tickets.

III. OTHER

A. Client will not assign any rights under this Agreement without prior written consent from Metrolink.

B. This Agreement may be amended by written mutual consent of the parties. Either party may terminate this Agreement by providing 30 days written notice.

C. Client will participate in Metrolink’s 25% discount promotion. Discount will be valid for six months and will begin on date designated by Metrolink and Client. Client will receive 25% off on each pass/ticket purchased during the designated six-month time period. Client is responsible for distributing saving to riders.

1. Client is not an employee of Metrolink within the meaning of any Worker's Compensation Law, or any law which would entitle Client to benefits arising out of any State or Federal Unemployment, or old age fund or similar law, or any right or privilege extended by Metrolink to its employees. Client's authority is limited to the sale or distribution of passes and tickets.

2. New Corporate Partners are subject to a credit check.

IV. DISCOUNT PARTICIPATION

A. When applicable, Client agrees to make the Metrolink 25% discount available to all employees who wish to participate in the program.

B. When applicable, Client agrees to communicate the Metrolink 25% discount in the following ways:

- | | |
|--|--|
| <input type="checkbox"/> Office signage (i.e. poster, flyer) | <input type="checkbox"/> Meeting |
| <input type="checkbox"/> Email Communication | <input type="checkbox"/> Human Resources |
| <input type="checkbox"/> Orientation Kits | <input type="checkbox"/> Employee Transportation Coordinator (ETC) |

C. When applicable, Client agrees to distribute an anonymous survey provided by Metrolink to all employees who participate in the Metrolink 25% discount program to comply with federal requirements (Title VI).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

Name of Signee (Client): _____ Metrolink Signee: _____

Title: _____ Title: _____

Signature: _____ Signature: _____

Date: _____ Effective Date: _____